

# Maclean's

SEX  
AND RELIGION  
AT CANNES

## THUNDER OUT OF CHINA

- WHY THE STUDENTS TOOK CONTROL
- GORBACHEV'S HISTORIC VISIT



# One better.



## Royal Bank Visa Gold.

We didn't get to be Canada's leading premium card by being content with the status quo. We got there by going one better. Today's Royal Bank Visa® Gold offers a package of privileges and conveniences unmatched by any other card.

Royal Bank Visa Gold continues to deliver all the financial entitlements you've earned, while taking care of the details you no longer have time to manage. Plus it offers the kind of valuable benefits only Canada's leading bank and the world wide Visa network can provide.

To start with, your maximum personal credit limit is \$5,000. And that's the minimum. You'll be able to use your Visa Gold to access cash at over \$45,000 financial institutions and 32,000 banking machines worldwide. And you'll find no other card is more widely accepted in Canada and around the globe.

### Privileges when you travel.

When traveling, you're automatically protected with out-of-province/country emergency medical coverage\*. At no extra charge. Car rental damage protection is also automatic when you rent a car with Royal Bank Visa Gold, saving you up to \$12 a day\*\*.

### Protection for your purchases.

We've gone one better with our new Purchase Security plan. Now when you make a retail purchase with Visa Gold, you're automatically protected against loss, theft, or damage. For up to 90 days afterwards. On almost anything you buy\*\*\*. Plus with our Extended Protection Program, you'll receive double the manufacturer's warranty for up to one additional year. On virtually every warranted item\*\*\*.

### Royal Rewards just for using the card.

You'll earn one bonus point for every \$100 in purchases through our Royal Rewards® program. With enough points, you may find yourself vacationing in the Caribbean or golfing with a silver putter. Our Royal Rewards program is just another way we offer more than the expected. If you'd like to carry the card that always goes one better, apply for Royal Bank Visa Gold today.

For more information and an application, visit a Royal Bank branch or  
CALL TOLL FREE  
1-800-668-7247  
In Toronto, call 904-3750

\*Extended limit of Canada, Resident Loss of Your Policy. \*\*Optional Rental Car Collision Insurance. \*\*\*This coverage provided by The Commercial Union Insurance Company. \*\*Optional coverage provided by The Commercial Union Insurance Company.

# Maclean's

CANADA'S WEEKLY NEWSMAGAZINE MAY 21 1987 NO. 132 NO. 23

## CONTENTS

### 2 EDITORIAL

### 4 LETTERS/PASSAGES

### 10 OPENING NOTES

*Pushing papers with Michael Dukakis, Alberta confronts a housing issue, B.C. economists leave their angst, over will Jewish criminal charges against Canada Post; Mikhail Gorbachev greets a new glimpse into his private life; spotlight on the Star; Norman Webster may move to Ottawa; Don Getty jugs a plan.*

### 13 COLUMN/DIANE FRANCIS

### 14 CANADA

*Francophone celebration rumbles deep divisions; Ontario and Quebec living in very different budgets; Manitoba's premier displays a newfound confidence.*

### 22 WORLD

*The Baltic republics present a direct challenge to Soviet hegemony; Argentine voters elect a new president; Panama's Gen. Noriega clings to power.*

### 28 COVER

### 40 BUSINESS

*Famous Players takes a leaf out of archival Canada's book of theatre design; the "British" sign triumphs on Madison Avenue; Edward Bernstein allows a public show house.*

### 44 BUSINESS WATCH/PETER C. NEWMAN

### 48 PEOPLE

### 50 ANOTHER VIEW/CHARLES GORDON

### 52 ENERGY

*Nuclear operators set up a global information exchange.*

### 53 SPORTS

*Polish passions were high as the Calgary Flames battled the Montreal Canadiens for the Stanley Cup.*

### 54 FILMS

### 56 BOOKS

*Travel writer Ronald Wright describes his pursuit of the Mayan people.*

### 64 GUEST COLUMN/STEWART MACLEOD



## COVER

### THUNDER OUT OF CHINA

Day after day, marches ensued in Beijing's Tiananmen Square, overshadowing the historic visit of Soviet leader Mikhail Gorbachev. Inspired by student hunger strikers, a million Chinese from every walk of life chanted, beat gongs and demanded democratic reform. But at week's end, the government declared martial law and began to crack down on the demonstrators. — 58

## CANADA

### ATLANTIC CHILL

Just as Atlantic Canada was beginning to enjoy the prosperity of the 1980s, nature and Ottawa have combined to set the region reeling. Devastating cuts in federal government spending and fears that the fishery is being threatened to send the eastern provinces into an economic tailspin. — 14



## FILMS

### JÉSUS OF CANNES

The world's most important gathering of film-makers, critics and dealers in Cannes is partly a circus. But the spotlight in the French Riviera resort is on new films from around the globe. And Montreal director Denys Arcand, a Riviera returnee, unveiled his new movie, *Jésus de Montréal*, to mostly rave reviews. — 84



COVER PHOTO BY JACQUES HADJIM, TORONTO

COVER ART BY ANDREW HARRIS, TORONTO



## Mass Agitation For Reform

The mass agitation for political reform in China, and the government's decision to cull in the troops at week's end, contrasted dramatically with the harmony achieved between Chinese leader Deng Xiaoping and Soviet counterpart Mikhail Gorbachev in Beijing last week. The impact of these momentous developments reaches beyond the 1.1 billion Chinese and 282 mil-

Soviet most directly involved. What happens to the two Communist superpowers, and between them, ultimately affects lives, living standards and questions of war and peace around the world.

The story that is the subject of this week's cover report discusses another contrast—the divergence between the two Communist parties in their approaches toward internationalism. In China, Deng has sought to stimulate economic well-being by introducing a market system as a key industrial centre. That top-down approach has generated uneven benefits, and left the masses the people without the political power to seek redress. In the Soviet Union, Gorbachev has emphasized liberalisation of the political system. But the new power base has not been translated into the production of material benefits. As a result of these uneven effects, reformist leaders in both nations face political challenges from angry, oppressed populations.

The Beijing summit provided both leaders with an opportunity to consider the perils of living released, in their different ways, the power of popular impotence. That power threatens the stability of their nations and provides ammunition for their political enemies. The rest of the world, if only for its selfish interest in bringing about a more peaceable and prosperous international climate, must hope that China and the Soviet Union can find a way through their mutual dilemmas that proves to be as promising as the neighborly agreements that they resolved at last month's summit.



**Conductors and Drop at the moment the ports**

Kaine Doyle

**Macleans**

Copyright © 2004 John Wiley & Sons, Ltd.

### Abstract

**Marketing by E-Mail: What's Behind the Legend**

**Executive Editor:** Col M. R. H. H. H. H.

**Assistant Managing Editor:** Angus Fenwick  
(angus.fenwick@monash.edu)

Art Director: Paul Blum

**Revised Curriculum, 2004**  
 Approved by the Board of Directors, 2004

**Positive Effects:** One Must Control Sub-Seq

#### Market City-Opening Hours: Main Service Department

**Editorial Committee:** *Journal of Management Inquiry*

**Senior Writers:** Jeff Berman, Barry Corbin.

Page 10000- John Siskind, Deputy Sheriff, State of Arizona  
Phoenix, Arizona

Associate Editor: Andrew Hurrell, University of Sydney

James Houghton (President), Nicholas Jennings, Paul Karpus  
 (President), David L. Karpus, David L. Karpus

© 2005 Blackwell Publishing Ltd, *Journal of Internal Medicine* 258: 103–110

Assistant Editors: Greg Gault, Jim Gels, Peter Harper

Many thanks to the other leaders: Anna Gossop, Peter Wetherill

2

[illegible][illegible]

**Organization for sale:  
\$179.**

**W**ith a new Costa Digital Diary, all the organization you'll ever need is sitting in the palm of your hand. Our GP-6000 Digital Diary makes everything from your daily planner to your little black book obsolete. From now on, life's just one tap away.

The SP-4050 can give you a month's schedule in a glance on its large screen. It can keep track of 1100 names, phone numbers, and addresses for you. You can easily enter all sorts of engagements, notes and miscellaneous information. And then just as easily call it up at a moment's notice.

In short, the Casio SF-1000 packs a mighty 32KB of memory into a mere slab of a 3" x 5" calculator. So you can put this powerful

organizational tool in the palm of your hand,  
your purse or pocket.

And when you're ready to advance to the next level of business administration, look for the **Casio B D S S**. A scheduling system that, as indicated, it even takes its own command.

Look for it at local retailers. Or for more information, contact Rob Stewart at Cisco, 3100 Ellesmere Rd., Suite 245, Scarborough, Ontario M1H 3B7.

**CASIO**  
Where miracles never cease.

Oslo-Corona Ltd. 2880 Glenview Road, Suite 240, Scarborough, Ontario M1V 4B1

## LETTERS

### EQUAL OPPORTUNITY

Regarding "A sustainable offer" (People, May 8), I am disappointed up with turning to your People section and seeing beautiful, gay, fully or mostly clad women actually posing for your front-page male readership. Give yourselves credit for drawing an intelligent, handsome female audience and give equal space to pictures of good-looking men. The rate got 18-year-old Mandy Smith in her underwear and we got 58-year-old Delaney Coleman in a girdle too. Give us a break.

Elizabeth Barlow  
Victoria

### SHRINKING DIFFERENCES

Charles Garton points out that we are different from the Americans in our handling of the big-budgeting of professional football. (He was called in the helicopter.) Another view, May 11. He didn't call in the helicopter. "Thanks you for the opportunity to add this difference to my rapidly shrinking list. I wonder how long it will take before there are no differences left."

Ann Leffing  
Peter George, B.C.

### A PRIVATE MATTER

Regarding your story about the sad death of our boy, Tyler (Offered to a friend), Opening Notes, May 15 although this is a private family matter, there are two errors I would like to correct. The driver for the South Kootenay Highway was not speeding and was in no way responsible for the accident, nor was there a seat investigation.

John Turner  
Oreana

### CORRECTING A QUOTE

Doreen Fraser's column "A spectacular head in a high-stakes game" (May 15) afforded readers a good summary of the energy options advisory committee report "Energy and Canadians into the 21st Century." Further, she accurately reports that the committee was divided about governments extending subsidies to uneconomic megaprojects for energy policy, as opposed to regional development policy. However, she misrepresents the following quotation by me: "American and European diplomacy will be aimed at destabilizing the Persian Gulf area in order to keep the price of imports low. That is neither my committee's view nor do I believe that the dominance of the market economy, both on the supply and on the demand side



Seaside demanding equal time for women

of the oil equation, would suffice to mitigate all but the most extraordinary differences. We also think that the costs of government intervention — in any form — outweigh the risks of a laissez-faire approach.

Thomas Kivimäki  
Chernaw  
Energy options advisory committee

## PASSAGES

**DEED:** Edward Plunkett (R), J.J. Taylor, 85, Canadian, travels with an international reputation as a race horse breeder; after a long illness he has included estate in Loford, Cal., the Bahamas. His ambulatory stable before was based on a four-acre plot in coastal India in 1960, and it grew after he established Arima Corp. Ltd. in 1965, which at one time controlled such corporate giants as Mosley-Ferguson Ltd., Deacons, Sharn Ltd. and General Ltd. His headquarters were matched in the beach, where his thoroughbred was 21 Queen's Plates and the beautiful Northern Dancer was the Kentucky Derby, near on to become racing's most successful sire (page 44).



**RENTED:** Mohammed Ali Hassan, 34, in his imprisonment for the brutal murder of U.S. navy diver Robert Dean Stephens, 33, during a 17-day airplane hijacking in 1985; after a 19-month wait by a Federal court, Hassan, arrested in Philadelphia in 1987 while carrying explosives, and a male accomplice were a 1984 jetliner on route to Rome from Athens in June, 1985. During the ordeal, the plane was ordered twice to Algeria and three times to Beirut, where Stephens was shot and dropped into the sea.

**DEED:** Gilda Radner, 42, the comic TV and movie actress who created a long string of wonderfully wacky characters for Saturday Night Live, in a Los Angeles hospital where a long battle with ovarian cancer. Her husband, comic actor and

### EPITAPH TO A CENTURY

The rage and striving of a professional woman by a "wailing" gang of minors is shocking? The ending of the century, Colson, May 8. However, in most observers of today's society this struggle is not new. Rather, Allen Fotheringham has taken as beyond this sad event and has acted upon our total failure to reconcile the "haves" and "have-nots." Many other confusions throughout history have collapsed far this very reason. Fotheringham has written what may well become an epitaph to the 20th century.

Peter Jacob  
Steinewer

We might in some instances be willing to overlook an act of raw evil on the grounds that the perpetrator was the disadvantaged poor, or a child. But the recent act of horror in New York is not one of those instances. Fotheringham's description of these boys' rage was very moving, but the fact is, there was no rage. Nor any remorse. Nor did they know their victim was a "superstar." This wasn't protest or politics, this was "fun."

Murray Rubashin  
Calgary

### GLOBAL RAILWAY

When I was in school, I was taught that the circumference of the Earth was approximately 40,000 km, yet in "Out of the World's Biggest Railway" (Column, May 11), Dave Franco states that it is over "22,000 km of man-made track—enough to circle the globe more than once." Has the world shrunk that much in 35 years?

Charles Cockfield  
Waterloo Ont

Canadian railways have not changed for a generation. Signal lights slowly stare at busy locomotives, their trains slowing along welded rails, barely a whistle or chime-click to be heard. Slow, motionless trains cover up and white down, but recent advances in gradient have demolished that. And aside from sound-proofed "noise comfort" cars have eliminated shouting. It's a quiet revolution, and puffery in progress, but not change.

Thomas McEwen  
Mississauga, Ont

### THE RICH GET RICHER?

Federal Finance Minister Michael Wilson may be "a fantastically decent, intelligent, hard-working man" (The last part on the H.A. Cover, May 1), but he does not serve the ordinary people of

Canada like the organized wealth of the world, whose current agenda is to lower the expectations of working people throughout the world so that the rich can become even richer.

Ronald Haines  
Chatham, B.C.

You report that some people are troubled that Finance Minister Wilson "has little in common with the average Canadian." You also report that this average Canadian may be having a headache against the constant of Wilson's budget. None of your writers, however, seems worried that the average untrained Canadian with the headache tendencies has little in common with intellectually superior Canadians—whom Wilson represents. Apparently, understanding achievement is more important than understanding economics. With ideas like those paraded, it is no wonder that the average Canadian has racked up \$13,000 in national debt, people to someone with more sense.

Joel Anderson  
Edmonton

### A COSTLY SURPLUS

I was shocked to read the letter in your May 11 issue saying the prime of William Vander Zile ("More 'study' government") If people would look any further than a spend, they would realize that the balanced budget was

achieved at a terrible expense to the people of British Columbia. Our forestry industry is in potential ruin because a minority fails to follow up on provincial regulations in forest management and reforestation guidelines. Postsecondary education fees are among the highest in Canada. Thirty years of rentier airport necessary sectors of our economy during the 1980s, leaving material services crying for funding. A surplus economy does not, contrary to popular belief, denote a healthy province.

Leslie Bialk  
North Vancouver

### BLAMING THE FANS

Regarding the article "Death in the stands" (Olympic, April 24), I was amazed at the criticism of the stadium beyond the "truly crowd control," the reaction of the police and several other accusations directed toward the authorities. When the facts are laid out on the table, it is the reaction of the fans that caused the tragedy. These people are obsessed with raising havoc around, and on, outside the play area. They are to be blamed for the deaths. Their problems we Canadians are not out of control when we support our teams.

Lenore Thorne  
Calgary

Letters are edited and may be condensed. Replies should be addressed to the editor, 1000 West Broadway, Vancouver, B.C. V6H 3G9. Please include a return address. Letters to the Editor will be published in the May 11 issue.

The photo is but a preview. Once you arrive just time into guest matches or log cabins by the beach, fishing lodges featuring wood fires or arcades with fancy slots views. Call 1-800-663-6688 for our travel kit or write: Tourism British Columbia, P.O. Box 100, Victoria, B.C. V8W 1X4. These vacations have been a best 5.0 for vacation for the entire family.

Super, Natural British Columbia

Bill Reid, Minister of Tourism and Provincial Development



Announcing another spectacular season of family viewing.

# Emotions are best expressed in a letter.



**Z.** Let's be honest. Buying a full-blooded sports car is not the most rational decision you can make. Which is possibly why it's one of the most emotionally satisfying.

The new 300ZX was designed to supply that gratification. In fact, Road & Track was moved to state "...The All-New Nissan 300ZX will set standards for sports cars (in its price range) that will have every other maker of sporting equipment scrambling

triple time to catch up."

A 222 hp, twin-cam, 24-valve, 3-litre V-6 supplies the raw strength necessary for pulse-quickenng acceleration. While the front and rear multi-link suspensions casually turn a heart-stopping curve into an exhilarating exercise in high-speed control.

Inside, the driver becomes an integral performance element. With an 8-way adjustable seat, wrap-around instrumentation, and the shortest gear shift stroke of any pro-

duction sports car. So you can guide the engine through the closely spaced gear ratios with minimum effort, and surgical precision.

This car will also teach you a thing or two about driving. Because a position in the Nissan School of Advanced Driving is included with every purchase. An intensive two days of on-track instruction that will help align your capabilities to those of the new Z.

And every Z is protected by the Nissan No-Nonsense Warranty. With bumper-to-

bumper coverage for 3 years or 60,000 km. and complete powertrain protection for 6 years or 100,000 km. See your Nissan Dealer for more information. You'll soon find that a letter is still the best way to express yourself.

The 1990 Z.



Built for the Human Race.™

# HARNESS BUSINESS INFORMATION TECHNOLOGY WITH ONE LINE OF COMMUNICATION.



Amidst the soaring complexity of Integrated Office Systems, there are three basic components you need to simplify the confusion, take advantage of the advancements and utilize your existing equipment. Three components and one key source. Bell's Telecommunications expertise.

**Network One is Connectivity.** The ability to connect computers, printers, telephones and other information systems so all work in harmony. Likely, the cabling you have for the phone system in your office gives you the base to do this. The fact that Bell has been at the forefront of communications technology for over a century,

gives you the confidence it will be done right.

**Number Two is Office Services** that provide shared applications, easily and efficiently. Mail and voice messaging, document creation and distribution and facsimile as well as other software based applications. Bell has the products Bell has the know-how.

**Number Three is Telecom Information Management.** It's a new package from Bell. Simply put, it helps you manage, control and measure your systems. All meant to increase effectiveness while reducing cost.

No one else offers this comprehensive product portfolio with the reputation,

expertise and reliability that accompanies the Bell Canada name. For more information call 1-800-387-5005 and ask for extension #2950

**OFFICE INTEGRATION MADE EASY**

**Bell**

McGraw-Hill Communications  
Through Telecommunications



**Maclean's**

CANADA'S WEEKLY MAGAZINE

Publisher JOHN E. BURNETT

Associate Publisher Paul J. Smith

Director of Advertising Sales David A. Larkin

Director of Research Charles A. Murray

Director of Marketing Communications Peter S. Wilson

Business Development Manager R. Paul Pearson

Regional Sales Managers

Charles A. Macdonald (Central) Dick Cunniff (Eastern)

William R. Ross (Western) John G. Kelly

Group Circulation Manager/Owner's Club Rep.

Advertising Production Manager James MacKay

Assistant Production Manager Suzanne Russell

Production Coordinators Jane Olson, Susan Lawrence

Customer Service Representative Helen Jule

Maclean's is published by Maclean-Hunter Limited

Chairman

Donald Campbell

President and Chief Executive Officer

Robert W. Gault

President, Canadian Periodical Publishing

James C. McArthur

President, Canadian Printing

William R. Lyle

Vice-President, Circulation

Canadian Periodical Publishing/Owner's Club Rep.

James C. McArthur

President, Canadian Printing

William R. Lyle

Vice-President, Circulation

Canadian Periodical Publishing/Owner's Club Rep.

James C. McArthur

President, Canadian Printing

William R. Lyle

Vice-President, Circulation

Canadian Periodical Publishing/Owner's Club Rep.

James C. McArthur

President, Canadian Printing

William R. Lyle

Vice-President, Circulation

Canadian Periodical Publishing/Owner's Club Rep.

James C. McArthur

President, Canadian Printing

William R. Lyle

Vice-President, Circulation

Canadian Periodical Publishing/Owner's Club Rep.

James C. McArthur

President, Canadian Printing

William R. Lyle

Vice-President, Circulation

Canadian Periodical Publishing/Owner's Club Rep.

James C. McArthur

President, Canadian Printing

William R. Lyle

Vice-President, Circulation

Canadian Periodical Publishing/Owner's Club Rep.

James C. McArthur

President, Canadian Printing

William R. Lyle

Vice-President, Circulation

Canadian Periodical Publishing/Owner's Club Rep.

James C. McArthur

President, Canadian Printing

William R. Lyle

Vice-President, Circulation

Canadian Periodical Publishing/Owner's Club Rep.

James C. McArthur

President, Canadian Printing

William R. Lyle

Vice-President, Circulation

Canadian Periodical Publishing/Owner's Club Rep.

James C. McArthur

President, Canadian Printing

William R. Lyle

Vice-President, Circulation

Canadian Periodical Publishing/Owner's Club Rep.

James C. McArthur

President, Canadian Printing

William R. Lyle

Vice-President, Circulation

Canadian Periodical Publishing/Owner's Club Rep.

James C. McArthur

President, Canadian Printing

William R. Lyle



## The story behind Beck's Beer



You can learn a lot about Beck's by reading the back label. But one sip will tell you even more.

**Beck's. The number one imported German beer.**

## Subscribers and Mailing Lists

Occasionally Maclean's provides its subscriber mailing list to other companies whose products or services may be of value to readers. But if you don't want to receive information this way, here's an opportunity to remove your name from the lists we provide to other companies. Simply send your subscriber mailing label with this notice to Maclean's Customer Service, 777 Bay Street, 8th Floor, Toronto, Ontario M5W 1A7.

Maclean's  
McGraw-Hill Communications

## MOVING ?

Call Toll Free  
Toronto residents 596-5225  
Outside Toronto 1-800-668-4509  
Estate in Canada 3-800-388-9007  
P.M. 5 p.m. Eastern Time  
Or Complete This Form and Mail to One of  
3 Weeks Before You Move

NAME

HOME ADDRESS

CITY  PROVINCE  POSTAL CODE

OLD ADDRESS

CITY  PROVINCE  POSTAL CODE

Attach mailing label and send to:  
Maclean's Subscription Dept., Box 1400, Postal Station A,  
Toronto, Ont. M5W 1A7

# OPENING NOTES

Don Getty considers his options, Michael Dukakis pinches pennies, and Mikhail Gorbachev tells all

## SELECTIVE AUSTERITY

During last year's presidential campaign, Democratic candidate Michael Dukakis presented himself as a prudent economist who mowed his lawn with a hand-pushed mower and cleared his driveway with a 23-year-old snowblower. Last week, two aides of the Massachusetts governor maintained that image of New England thriftiness when they visited Toronto to pave the way for a speech that Dukakis will deliver on May 30. Indeed, the aides' own work was 48 minutes late when they took a shuttle bus and the subway from the airport—rather than a taxi—to a downtown meeting with organizers of The Toronto Star lecture series. And when the aides learned that their buses had broken their belts into the subway Plaza hotel for their two-night stay, they quickly switched to a less expensive Ramada Inn. Dukakis will have an opportunity to display the penny-pinching traits of his administration while he is in Toronto: the governor is also scheduled to stay at the Sutton Place.

Dukakis' maintaining an image of New England thriftiness



AP/WIDE WORLD

## Hot words about a burning issue

Alberta has agreed to accelerate thousands of items of toxicogenic chemicals that were not listed as a hazardous for the Montreal-area community of St-Basile-le-Grand last August. But the May 19 decision to burn some PCBs in a new waste disposal plant near Swan Hills, 250 km north of Edmonton, has embroiled recently appointed provincial Environment Minister Ralph Klein in controversy. Klein, the former mayor of Calgary, said that the cabinet had waived a ban against the incineration of hazardous materials in the northern province—and he predicted that the plant could satisfy the Quebec's PCBs site at a schedule. Responding, Calgary Ald. John Schmalz "The Swan Hills plant was paid for by Alberta. We have

wenties throughout the province and we are going to trust Quebec's list?" So much for interprovincial goodwill.



Swan Hills plant handling deadly waste from Quebec

## MIXING UP THE MESSAGE

Earlier this year, Fred Wilson helped the Committee of Progressive Electors—a Vancouver civic party of which he is a member—by reading a COPE press release to local news outlets. But Wilson, the British Columbia leader of the Communist Party of Canada, said that he forgot to remove an exponent from an electronic *ferocious machine*. As a result, the press release identified CPC headquarters as the source of the message. Red-faced COPE officials stressed that there is no formal link between the two parties.

## Letter bombs in the post office

At feeling between Canada Post and its unionized workers deepened earlier this month when cooperative managers in Vancouver returned them that the Canadian Union of Postal Workers (CUPW) had mailed to customers or letters in the city's main postal station. Corporation of funds say that they did so in the belief that the flyers—which criticized recent staff cuts—were an additional bulk mailing. Court officials say that they will lay criminal charges against Canada Post under a section of the Postal Act that prohibits opening, keeping or delaying the mail. Then a court will have to address the issue.



Shirvadze (left); Gorbachev' talks in the woods and a tribute to Russia

## RELAXING WITH THE LEADER

Since Mikhail Gorbachev became the general secretary of the U.S.S.R. in 1985, he has introduced planned to one holder as aspects of Soviet life. Gorbachev displayed questions last January when he candidly revealed a state secret—his \$28,800 yearly salary—to a Soviet reporter. Earlier this month, Foreign Minister Eduard Shevardnadze continued that tradition in the pages of the *Aspen*. Argument and fact by discussing the trials of his young wife and family obligations. And last week, Gorbachev provided

another revelation about life at the top of Soviet society. In an interview that appeared in the monthly publication *Mass of the Soviet Communist Party Central Committee*, Gorbachev described such personal interests as gardening for therapy, reading good books and "just of all, taking walks in the woods." He also spoke of his dependence on his wife, Raisa—a topic long for the male-dominated Soviet elite. These disclosures may increase by nature, standards—but in the U.S.S.R., a little gossip goes a long way.

## STAR TURNS IN THE MEDIA SPOTLIGHT

Normally, The Toronto Star simply reports the news—but, during the past four months, two unusual incidents have drawn media attention to the newspaper itself. Last February, Star management forced Ken Adachi to resign when they learned that the award-winning book columnist had plagiarized three paragraphs in a Jan. 31 essay. Adachi admitted weeks on Feb. 10. And last week, Robert Hargrave, the Star's Washington bureau chief, acknowledged that he had copied 102 words from a *Washington magazine*—and used them without attribution in a Jan. 5 column. Star editor John Hunsbaker himself will likely be in the spotlight next week when he is scheduled to take part in a seminar that the Centre for Investigative Journalism is staging in Ottawa, its subject, plagiarism.



## Contemplating a switch

The western Alberta town of Edson received a welcome report last February—the provincial government had chosen the 5,000-member community to host the last western province annual meeting this month. In the news of that selection, Environment Minister Lin Red announced West Yellowstone, the riding that contains Edson, as the provincial legislature. But while the Progressive Conservatives were intended to govern at a snap March election, Premier Don Getty told his Edmonite riding—and New Democrat Jim Dineen told him a kind Yellowstone. Getty subsequently won a May 6 by-election in the rural riding of Sturgeon. But, nonetheless, he has postponed the province's meeting and refused to say if the conference will still be held in Edson—or be shifted to Getty's own constituency of 240 km to the southwest. Political plans tend to look as government-led ridings.

Getty's win and a postponed meeting

## Capital speculation

It's been almost five months since publisher Roy Maguire fired Norman Webster as editor-in-chief of Toronto's



Webster: no editorial

Globe and Mail newspapers. But last week, a source except through the Globe announced that Webster was about to take a new job, as publisher of The Ottawa Citizen—and that he planned to take Globe Ottawa columnist Jeffrey Simpson with him. While Simpson denied being approached, Webster could not be reached for comment.

## Which One Is NEC?

Colour TVs and VCRs that reach new heights — high fidelity, high resolution and high quality. Now that's a higher form of home entertainment.



The keys to a total information management system — NEC key telephone systems are so versatile they can help any business.



For those with driving ambition — NEC's mobile phones offer a variety of features along with compact convenience. No wonder they're the talk of the town.



Can you top this? NEC's laptop computer just because it's light doesn't mean the NEC Multi speed is a lightweight. This is one heavy performer.



NEC is proud to sponsor international sports events like the Davis Cup and the Fed Cup tennis tournaments and the fledgling World Youth Cup competition. We also sponsor the NEC World Series of Golf and the prestigious Everton Football Club of the English League.



Pagers that do more than just beep. Ours can give you a message. And they alert you quickly by vibrating. Now that's news.



The true fax — a facsimile machine that sends text and graphics over the phone lines in seconds, and fits on your desk next to the phone.



## All Of Them.

Super! NEC is one of the world's largest manufacturers of computers and document communications equipment. And because we are committed to saving society benefit from the integration of these C&C technologies the advances pioneered by NEC in state-of-the-art technology reach you every day. Which one is NEC? Now you know, we're all of them. NEC has been advancing technology since 1899. And that's only the beginning. Because the world of C&C there's more to NEC.

# NEC

For further information please contact: NEC Canada, Inc. Tel 1 800 355 3907

## COLUMN



# Battling crime through the banks

BY DIANE FRANCIS

Switzerland's biggest scandal in years worried in January when Elizabeth Kopp, the country's minister of justice and the police, resigned in disgrace. She left after admitting that last fall she gave her husband advance notice to resign as vice-president of Schweizer Trading, a Zurich-based gold and foreign currency trading company that was alleged to be involved in part of a sensational drug trafficking case. The case is still in fact-finding because scandals rarely give the Swiss that much opportunity to Canadians, and after U.S. allies, it also shows how serious the United States is about fighting the illicit drug trade—no matter where the battle is fought.

The Kopp affair began in March, 1987, when a Swiss informer working for the U.S. Drug Enforcement Agency tipped off officials that a huge shipment of 280 lbs of heroin from Miami was about to be transported to Switzerland. Similar shipments had been made in the past, but this time authorities were ready to intercept. They waited until the truck was inside the Swiss border and then arrested five men. One of them, they found a little black book containing the names and phone numbers of two American brothers who operated a Zurich trading company. Elizabeth Kopp's husband, Hans, was vice-president of the company.

It was a severe charge for the trading company or its affairs, but a major controversy arose over the fact that the then-minister realized that the link between her husband and Schweizer Trading would become public because the company handled funds for the traffickers. She promptly phoned her husband, who resigned immediately. She later described it as her "silly duty," but the duty was done. The Koppes did not believe any laws, but she was at least guilty of major indiscretion. In the ensuing controversy, the quit.

Later, in mid-April, a Swiss court convicted the five drug traffickers involved in the Miami shipment and sentenced them to 11 and as long as 18 years each. The case stirred

*The U.S. government, including the CIA, is pressuring world financial houses to clamp down on illegal deposits*

Swiss public opinion, and that was just the effect that the nation's drug-trade fighters wanted. The previously stubborn Swiss parliament, fiercely protective of its secretive banking industry, consented after Kopp's resignation, and then changed later announcing that it would strike a blue-ribbon commission to come up with more money-laundering.

While in Switzerland, I met Paolo Bernasconi, money-laundering expert and former attorney general of the Italian-Swiss region of Lugano. Bernasconi and that, following Kopp's resignation, the Swiss parliament asked him to study the issue of money-laundering because he had originated a similar study in 1986. His own committee of 10 bankers, businessmen, politicians and police finished their report in March and two weeks ago, Swiss Justice Minister Arnold Koller announced that his government plans to outlaw money-laundering and prevent drug traffickers and other criminals from using Swiss bank secrecy laws to conceal their profits.

While attorney general, Bernasconi handled the Swiss portion of the international heroin trafficking case that became known as the "Pizza Connection." The Pizza case surfaced in

the United States, Italy and Canada and got its name because traffickers collected cash in pizzas from drug sales. Then the money was deposited in North American banks and loaned to houses and loans to money houses.

Just as the Pizza Connection case raised U.S. public awareness, the Kopp affair stirred the Swiss. Bernasconi's committee report, "The nature of the deposit made the Swiss leader in quackery." To others, it is more than just interesting. In April, one Swiss parliamentarian suggested that the case organized the secret to occur inside the Swiss border, rather than Italy's, to get the Swiss to clamp down on their traditional banking secrecy. A similar case stirring public opinion in Luxembourg and London involves charges of laundering, which Swiss police led in 1985 against Luxembourg's Bank of Credit and Commerce. That case also implicates a major French brokerage firm. "For the Americans, it has been a very good, a very lucky, major in terms of raising consciousness," says Bernasconi.

Similarly, Canada has not been let off the hook as far as pressure goes. Estimates are that 90 per cent of heroin moves into the United States across the border from Toronto, Montreal and Vancouver. Worse yet, until Ottawa's Bill C-61 amended the Criminal Code last January, Canada had almost no effective laws against money-laundering. The law is still out on the amendments, but it is supposed to allow courts to freeze and seize any criminal proceeds.

Bernasconi says that he will study our Bill C-61 as part of his continuing interest in the issue, and said: "There was a Canadian connection in the Pizza Connection case. Deposits were made in Montreal banks, cashiers' checks were drawn from Swiss banks, flows to Hong Kong to be cashed, and the money transported to Zurich."

That situation, as well as legal battles between the U.S. and Canadian banks in the past, probably made it more than just coincidence that Washington chose to push for an agreement to crack down on money laundering at a Canadian, Italian-Swiss-Turkish forum during the 1984 economic summit in Basel, Switzerland. But December, the so-called Group of 16 met, which included the seven summit nations: Belgium, Luxembourg and Switzerland. They agreed a code of conduct of principle, which, if implemented, will go a long way toward forcing banks to turn over information to drug investigators, says Bernasconi.

But the biggest weapon of all is contained in the combatting bill that Congress passed last fall, which will force foreign banks with U.S. operations to keep track of cash transactions anywhere in the world—and to surrender that information upon request. Canada and others have officially protested the amendment on the grounds that the Americans have no right to force their laws onto other sovereign states. But the Kopp scandal and other events clearly indicate that the Americans have declared war on the drug trade. And after, like laws, most realize that they are caught in the crossfire.



Cape Breton coast sees new fish packing in Shelburne County; welcomed shock over 'the rape of Atlantic Canada'

## CANADA

# ATLANTIC CHILL

The picture-perfect town of Lunenburg in western Nova Scotia's Shelburne County is an unlikely moment in the economic shocks striking Atlantic Canada. A local school of glittering white sea lochs borders the community, and swimming areas and docks line the bay. The town is one of the most beautiful in the Maritimes, with a wealth of interesting fish and shellfish, the waters were generally blue. But the 230 workers at the Cape Breton fish plant were packing in Shelburne County; welcomed shock over 'the rape of Atlantic Canada'.

But the repeating closure of the Lunenburg plant was only one of the many economic setbacks being suffered across a region that

## DECLINING FISH STOCKS COMBINE WITH BUDGET CUTS TO BATTER THE COUNTRY'S POOREST REGION

until recently had been showing hopeful signs of renewed prosperity. For the troubled fishery, last week brought more grim evidence that the North Atlantic fish stocks, the region's most valuable resource, are disappearing at an alarming rate. Since 1980, at the same time, eastern Canadians are still counting the cost of Premier Michael Wilson's April 26 federal budget. Indeed, Halifax Liberal MP Mary Clancy charged that the federal government's program of restraint amounted to "the rape of Atlantic Canada." Even reports that

Premier Minister Brian Mulroney, at the urging of several Atlantic Canada MPs, had decided to set up a cabinet committee to look at ways of softening the economic blows to the region failed to lift the overall gloom. Among Wilson's targets were regional aid programs worth nearly \$700 million, six million dollars, transfer payments and Via Rail. The train service is particularly important in areas where roads are notoriously bad and services often beyond cost. Family assistance, last week, Public Works Minister Oliver MacKay announced that the federal Atlantic Canada Opportunities Agency (ACOA) will have to curtail its \$1.65-billion fund for economic development projects stretch over seven years rather than five. As a result, the agency will disburse \$40 million this year, planned each year. South Atlantic Fisheries, head of the department of economics at Dalhousie University in Halifax, N.S. "There is no question that the federal government is placing a lower priority on regional development. We have some significant adjustments ahead of us."

Those adjustments will be forced first on the rural fisheries and petroleum fishing ports, which by 1990 will be celebrated as a rich

tradition of song and story. Sea Maritimes, however, is a sad reality. Economic Council of Canada, it is the sad reality that not being left. The overall picture is how serious the consequences will be.

It is not a new message for the people of tiny Shelburne County. With only 22,000 of the Atlantic region's 2.2 million people, it faces back fishery woes and budget austerity. At the other end of the region, 75 km from Lunenburg, is one of the military bases in the region to be closed or scaled down in the wake of Wilson's budget. CFB Borden, a major station at Borden Point, employs 172 military and civilian personnel and pumps \$7 million into the

local base at Spencey will cost the nation's economy \$5 million a year.

In neighbouring Prince Edward Island where Premier Joe Ghis's Liberals appeared to be headed for victory in a May 28 provincial election, the closure of an agri-business in Summerside will mean a loss of \$30 million annually. Despite a protest march last week by more than 10,000 Islanders (2,000 more people than live in Summerside), Ottawa's plan to close the base stayed in place. According to William Campbell, a Charlottetown Employment Council member involved in several charities, the closing will increase the number of economic casualties in a province with 13 per cent unemployment, where hunger is already "a serious problem." Said Campbell: "I don't know how we will cope in things get worse." And Dr. Patrick Foran, PEI's director of mental health, predicted that stress caused by the fishing economy will bring "a deluge of mental health problems."

In New Brunswick, where last week crab fishermen complained that their harvests were down after only half the normal 10-week season, military bases in Chatham and Miramichi will also be scaled down. As many as 300 of the Chatham base's 1,200 civilian and military jobs are likely to disappear. The base, called Chatham Main Street Base, lost \$45 million last year. The economy actually "is the most serious and serious of the Atlantic provinces" (page 1).

And in Newfoundland, Premier Clyde Wells said that the string of setbacks in recent weeks had left him feeling "Since we formed the government," and Wells, whose Liberals won the April 20 provincial election, "has been on an offensive since I had seen after another." Last week's biggest blow came from Wells' own backyard. Leslie Harris, president of Memorial University in St. John's, confirmed earlier studies that showed that areas of cod—the backbone of Newfoundland's principal industry—were far lower than previously estimated. According to Harris, unexploited foreign fishing, encouraged by the opening of growing seal herds—which have also increased in recent years largely because of the loss on the commercial killing of seal pups—has severely depleted the important cod stock.

That disheartening conclusion came on the heels of Michael Scott's decision to attempt its industrial operations in the Borden on Newfoundland's southeast coast. And in Harbour Grace, across Conception Bay from St. John's, an entire community was in shock from the federal government's

McKervey a lower priority



## National Notes

### PASSING THE BUDGET

The government's controversial April 26 budget, which is a 100-page document, was the day before Finance Minister Michael Wilson was to have introduced it, passed in the House of Commons by a vote of 130 to 280. Solicitor General Pierre Blais revealed that the "GDP had begun circulating a second budget document" while Wilson was in the report that Chabot had received its copy.

### BILLS TO BE PAID

After a weeklong standstill, the Liberal-dominated Senate passed a bill on Monday stating that the government should be necessary in order to pay public service salaries and veterans' pensions.

### FOLLOTTED SHORES

New Scotia fishermen were confronted with great evidence of the yellow perch along the province's Atlantic shoreline. Government officials predicted a large catch of yellow perch along the shore, which would bring in a large catch of yellow perch.

### AN ANGRY AUDITOR

Senators have a number of Liberal MPs, some of whom are in the government. Some of the government's MPs are in the government. Some of the government's MPs are in the government. Some of the government's MPs are in the government.

### EXPENSIVE QUESTIONS

The Senate asked the government to investigate travel costs incurred by Liberal Senators. Some of the government's MPs are in the government. Some of the government's MPs are in the government. Some of the government's MPs are in the government.

### RAINING UNIFORMS

Newfoundland Premier Clyde Wells will not announce in the May 31 Day of Islands Symposium. The Conservatives and New Democrats Party chose not to hold candidates against Wells, who failed to win a seat in the April 20 provincial election in which his Liberals won 25 of the legislature's 52 seats.

### ANOTHER CANDIDATE

New Democrat MP Audrey McLaughlin is expected to announce her candidacy for the party's leadership in Ontario this week. McLaughlin, a former MP, is the party's caucus chairman, and will be the fourth member of the federal caucus—the first woman—to enter the race to succeed retiring leader Edward Broadbent.





Toronto traffic: a \$5 tax as a new tax and a surcharge on car registrations

## A tale of two budgets

Ontario raises taxes, Quebec pays parents

For Toronto drivers tuning in to Ontario Premier Robert Noon's budget speech by car radio, it was a particularly disconcerting experience. As they fought their way through the inevitable evening traffic congestion, they heard Noon outline the two-billion financial program of Premier David Peterson's Liberal government—no election in September, 1987. The centerpiece: a one-percentage-point increase in personal tax, as well as new taxes and surcharges aimed specifically at residents of the Toronto region with the announced intention of raising \$1.2 billion in badly needed improvements to the city's overcrowded roads and transit systems over the next five years. Ontario outside Toronto also felt the sting, though less severely, as Noon announced \$1.3 billion in new taxes overall. In Quebec City, budget day struck an entirely different note. With Premier Robert Bourassa's Liberals widely expected to call an election for the 40th, Plebiscite Minister Gérard-Lévesque, speaking just 24 hours before Noon, left parents across times and lanes on alcohol and cigarettes untouched. Levesque increased government spending by 3.4 per cent, to a total of \$38.5 billion, and boosted the government's unique bank bonus that it pays to new parents.

Ontario's spending will rise 6.7 per cent, to \$42.3 billion, for 1986-1990. But with Noon's new taxes increasing revenues by 4.4 per cent, the annual budgetary deficit is projected to drop to \$257 million—its lowest level in 15

years—from \$1.49 billion the previous year. Indeed, Noon said that Ontario would post a \$3.6-billion surplus in its operating budget—which does not include capital expenditures such as roads and hospital construction—making it one of only three provinces with operating surpluses (Quebec's operating shortfall will be \$106 million).

In his debt and possibly last budget—the policy treasurer and former provincial Liberal leader is widely expected to quit politics soon—Noon, 60, exercised his imagination to raise revenue. There are new taxes on gas-guzzling cars and on some nonreturnable drink containers. But Noon singled out the booming Toronto region for the largest increases. Among the new measures that will take effect only in Metropolitan Toronto and neighbouring municipalities of Halton, Durham, Peel and York is an annual levy of \$1 per square foot on all commercial properties larger than 200,000 square feet. And while car owners across Ontario face a one-cent-per-litre tax increase on all grades of gasoline and a new \$5 tax on each new fire, Toronto drivers will pay most for their vehicle's registration than motorists elsewhere in the province. Registration fees go up by \$24 to \$36 per year in Toronto,



Levesque responsible

compared with increases of \$12 in the rest of southern Ontario and \$6 in the province's north.

But Noon drew praise from consumer groups for shifting a five-year-old promise to abolish the provision for the provincial health insurance program—\$257 per year for individuals, and \$714 for families. The government will raise revenue instead from a new payroll tax, a move that the business community quickly criticized. Eric Owen, director of taxation for the Canadian Manufacturers' Association, said that the tax would encourage businesses to move out of Ontario. And while many small-businessmen insisted that the payroll levy will discourage them from hiring new employees, representatives from organized labor argued that the new tax will be passed on to workers in the form of lower wage settlements.

Still, some business groups applauded Noon's budget. The Urban Development Institute (UDI), an association of 300 small-scale developers including such industry giants as Ontario-based Brambles Ltd and Tindal Corp., had lobbied the government for 18 months to speed more on road construction to service fast-growing construction in Toronto's hinterland. "A lot of what we wanted is there," said UDI president John Switzer. "This is a business budget, and we think it's time for business to co-operate with the government."

In Quebec's budget, Levesque increased revenues—including \$116 million from annually higher surtaxes on the profits of small and large businesses—to cut the projected annual deficit by \$180 million to \$1.5 billion. As well, he increased the cash bonus that Quebec pays to families with newborn children, a program introduced last year in response to Quebec's low birthrate. Starting this month, parents will receive \$1,000 for their second child, up from \$500, and \$4,500 for a third, up from \$3,000. Jacques Parizeau, leader of the opposition Parti Québécois, criticized the boni-mén, saying that "dangling money in front of people will not boost the birthrate." But business reacted mildly to the budget. Real

Steven Strauss, an economist with the Royal Bank of Canada. "The Quebec budget was really a no-brainer."

Still, economists and businessmen said that Quebec, despite its larger deficit, had charted a more responsible budgetary course than Ontario. They noted that Noon plans to allow government spending in Ontario to increase at more than twice the 2.6-per-cent growth rate projected for next year. But whether it earns the praise of voters in the Ontario capital may depend in part on what happens in the traffic jams over the next few years. And voters in Quebec will get their chance to pass judgment as Levesque's budget is seen in Bourassa takes to the campaign trail.

PHIL KAHILA with DAN BURKE in Montreal

# From the top of the mountain To the bottom of your cup



## Introducing Maxwell House Sierra, 100% Colombian Coffee

The best Colombian coffee comes from the top of the mountains, on the high sierras.

Introducing Maxwell House® Sierra, top quality beans from the top of the mountains. At the top, coffee plants are bathed in sunlight, fresh air and pure water. This magical combination of elements gives mountain top coffee beans more flavour.



When you brew Sierra, the taste is rich, yet mellow with a distinct Colombian flavour. Sierra has the beautiful deep brown colour of the world's highest grown coffees.

Something magic happens at the top of the mountains. And Maxwell House captures the magic in new Sierra. From the top of the mountain to the bottom of your cup, it's good to the last drop.

GOOD TO THE LAST DROP

# Feuding Tories

Winnipeg-Ottawa relations reach a new low

For the most part, it was an unremarkable debate speech that Manitoba Lt.-Gov. George Johnston read at the opening of the provincial legislature on May 18. Among other things, it pledged that the minority Conservative government of Premier Gary Filmon would approve environmental safeguards, institute guidelines for arts and cultural tourism and not raise personal taxes. But the speech also left observers speculating that relations between Filmon and fellow Tory Prime Minister Brian Mulroney—strained since Filmon reversed his earlier support for the Meech Lake accord last December—have reached a new low. In one passage, the speech attacked the federal government directly. The Manitoba government, Johnston declared, was "extremely concerned about the disproportionate impacts the recent federal budget will have on Manitoba." For his part, a relaxed and confident Filmon told reporters that he was not concerned about the tough time the speech took against the federal government. Declared Filmon: "I'm not afraid of conflict with Ottawa."

But Manitobans listening to Filmon's defiant statements had reason to wonder about the 46-year-old premier's prospects of winning any collaboration with Ottawa. Since Filmon changed course on Meech Lake in response to Quebec's decision to restrict the use of English as signs at that province, communication between Ottawa and Winnipeg has diminished almost to the point of silence. As well, Ottawa has not renewed a number of regional development agreements in Manitoba that expired in the first few months of 1990, and has requested only \$5.5 million of the \$158 million it earlier promised for a research centre on environmentally sustainable development to be built in Winnipeg. At the same time, Filmon has been under mounting pressure from Manitoba's opposition Liberal party—which holds 22 seats in the legislature compared with 24 for the Tories and 12 for the

New Democrats—and its leader, Stuart Carstairs, to reject the accord unconditionally. Against that background, some analysts said, then the debate speech was less remarkable for its criticism of the April 26 federal budget than for its stress on improving relations. "I thought it was pretty mild on federal-provincial relations," noted one senior Ottawa adviser.



Filmon (left), Johnston: "I'm not afraid of conflict with Ottawa."

In fact, the debate speech proposed several measures that all sides intended to get the two governments talking to each other again. For one thing, Manitoba will open an office in Ottawa as an attempt to develop a higher profile in the federal capital. At the same time, the government signalled in the speech that Manitoba cabinet ministers will speak more often with their federal counterparts. The address made little mention of the main

point of contention between Ottawa and Manitoba, however, saying only that Manitoba will make its position on Meech Lake clear after a legislative session, which held public hearings into the accord earlier this year, opens in its report in July. During the hearings, the majority of submissions attacked the accord, not in particular its recognition of Quebec as a "distinct society" within Canada. And most experts said that the conservatives will recommend that Meech Lake be rejected unless it is amended to include increased protection of native and women's minority rights.

But Mulroney and Quebec Premier Robert Bourassa have insisted that the accord—which must be ratified by all 10 provinces by June 1990—must be passed as it is. And some analysts have said that Filmon might welcome an excuse to reverse his position on Meech Lake once more. Said one federal Tory: "I think Gary would like to back down." With an election expected in Quebec within a year, added a senior Ottawa official, "Filmon is hoping Bourassa will be more conciliatory."

Whatever Filmon's relations with Brian Mulroney, however, last week's debate speech sent a clear signal that he is not anxious to provide his opponents in the Manitoba legislature with forcing an early election. The speech chastised Filmon's government to focus on economic issues and extend his relief to farmers in the next provincial budget, expected in June. Those measures seemed virtually certain to elicit the support.

At the same time, which holds the balance of power and could ensure the government's survival even if Carstairs' Liberals were to win against it. Indeed, says London, Gary Doer has repeatedly said that his party is not ready to fight another election campaign as soon after the last provincial election in April, 1988.

For his part, Carstairs said last week that his party may not wait for the budget to announce its disapproval of Filmon's government. Instead, Carstairs said that the Liberals may vote against the speech, instead of get the two governments talking to each other again. For one thing, Manitoba will open an office in Ottawa as an attempt to develop a higher profile in the federal capital. At the same time, the government signalled in the speech that Manitoba cabinet ministers will speak more often with their federal counterparts. The address made little mention of the main

FRYER ROYVILLE with  
MULRONEY ARGUMENTS in Winnipeg and  
JULIA HAY DOER in Ottawa

"It really came down to one question: Was our future important enough to invest in?"



It may be the one person in our department who isn't an expert on personal computers, but after listening to the sales rep for hours about the IBM PS/2 versus the rest, the solution seemed pretty clear to me.

Many other computers are based on old technology. The PS/2 has a new operating system—OS/2—which everyone agrees is the way of the future.

And if we're looking at cost-and-efficiency what could be more expensive and less efficient than "investing" in old technology? We're not really talking about computers here, we're talking about the future of our department. We've never done anything by half-measures before, and now that we're going to invest in the success of the entire company this isn't the time to start.

The IBM PS/2 with Micro Channel gives us state-of-the-art computing in a desktop PC, and the ability to do a number of things our competitors and that helped elect our decision.

It was a long day but it was a good day and now we have a PS/2.

The future begins tomorrow. For more information on the IBM PS/2, call 1-800-465-6690 or see your IBM Authorized Dealer.

**IBM**

There is a difference.

# RESTIVE REPUBLICS

## THE BALTIC STATES CHALLENGE MOSCOW BY VOTING FOR MORE ECONOMIC AND POLITICAL INDEPENDENCE

When Denis Ionescu began speaking to about 5,000 people in Tallinn in the Soviet republic of Estonia, many listeners nodded assentively. Even the current leader of neighboring Latvia's Popular Front, read slowly and in a near-monotone from a prepared text during a political rally in Tallinn's historic town square one Saturday this month. But the crowd, many of them brandishing the previously banned flags of Estonia, Latvia and Lithuania, bursted noisily when Ionescu finally let his throat loose for greater economic and political independence for the Baltic republics. "Moscow," he declared in a tone from a new-appearance audience, "must not interfere with the destiny of our peoples any longer." Last week, transferring such rhetoric into action, the legislatures of Estonia and Lithuania passed bills aimed at dramatically increasing their powers. And Soviet leader Mikhail Gorbachev—retracing home from China where staffers called him as a historic meeting—was faced with massive Soviet citizens who maintain that he has not gone far enough.

Leading the drive were residents of the three top Baltic states, which together are home to only three per cent of the Soviet population but long a major trouble spot for Gorbachev. At the first meeting of the three states' Popular Fronts in Tallinn on May 13 and 14, delegates passed a motion favoring "economic independence" by next year. Last week in Vilnius, the Lithuanian capital, the local legislature declared the republic "sovereign"—although not fully independent—and declared ending its own currency. And in Tallinn, Estonian legislators discussed provisions that would slow leased private property. Both bodies rejected previous proposals by a Politburo commission studying proposed powers for all republics. Estonian Prime Minister

Indris Tuoma said that the proposal amounted to selling the republics. "You are going to let the way we permit you," added Tuoma. "Such an approach is unacceptable."

The republics' recent actions represent the most direct challenges yet to Moscow's control over the Baltics. Delegates at the Popular Front meeting in Tallinn included more than 200 members of the newly elected Soviet Congress of People's Deputies. Many of them called on Moscow to renounce the 1939 Molotov-Ribbentrop Pact, which allowed the Soviet Union to

annex the Baltic states in return for signing a nonaggression treaty with Nazi Germany. Before that, the three republics had been independent for nearly more than 30 years—they were previously provinces of imperial Russia. Now, many Baltic residents, along with some Western governments, maintain that the Soviet Union has no legal right to the area. Sali Kaskas, a member of Estonia's Popular Front, "I should not discuss leaving the Soviet Union because we do not belong to it," he added. "The real issue is how to get to practice the independence that we should have by law."

Many Baltic residents are plainly working toward that goal. All three republics have reinitiated use of the flags they flew as independent states, and most public meetings begin with the raising of previously banned national emblems. Lithuania and Estonia have passed laws that outlaw the legal practice of their native languages over Russian. And Latvia has adopted a draft proposal for similar legislation. Although Russians is the shared language of the three republics, delegates at the joint Tallinn meeting used sign language and with each other in their native tongues. Russian and English were declared "insufficient working languages."

Perhaps inevitably, such steps have produced a backlash among Soviet authorities. Last winter, Politburo member Alexander Na-

bolov, who is regarded as Gorbachev's closest ally on the ruling body, rejected suggestions that the Baltic republics might be allowed to take any major steps toward independence. And the state-run Soviet media, which initially gave favorable coverage to the three Popular



Front's activities, now usually criticize or simply ignore them.

Underlying the tensions are deep differences between Baltic natives and the rest of the Soviet Union. Tallinn, which sits on the Gulf of Finland, is markedly Western in appearance and attitude. Because of its proximity to Helsinki, which is four hours away by ferry, the city has become renowned as the one place in the Soviet Union with easy access to Western radio and television—including a Finnish-language version of the American soap opera *Dallas* (the Estonian language is retired to

Finnish). Many ethnic Estonians have the blond, Nordic appearance of their Western neighbors, and love and washed jeans and sweaters with English language expressions. At the popular Nord Restaurant in Tallinn's Old Town one recent evening, a guest sang Estonian-language versions of songs by Frank Sinatra, Louis Armstrong and Cole Porter.

But measures to strengthen their own culture—and open a wider window to the West—have severely strained relations with the republic's large ethnic Russian population. Ethnic Latvians now make up nearly 51 per cent of that republic's population of 3.6 million, while Russians comprise 30 per cent. In Estonia, nearly 60 per cent of the 1.6-million population is ethnic Russian, while 20 per cent is Russian. About 80 per cent of Lithuania's 3.6-million

and member of Latvia's Popular Front. "One people have come close enough to extinction to be willing to fight for their future."

Those sentiments now spreading beyond the Baltics. Attending the Tallinn meeting were members of newly formed groups from the neighboring republics of Byelorussia and from the central Caucasian republics of Georgia, Armenia and Azerbaijan. Each of those republics has a first language other than Russian. "Our language and culture have been strangled by Moscow," said Zeno Panyagin, a member of the Byelorussian People's Front. "But they have survived, and they will survive."

Proposals that express such feelings were prepared for the May 25 opening of the first session of the Soviet Congress of People's Deputies in Moscow. Baltic deputies drafted a series of resolutions proclaiming that each



Rally in Tallinn: trying to unite opposition groups throughout the country

population in Lithuania—the rest is Russian and Polish. Ethnic Latvians, Estonians and Lithuanians have repeatedly argued that their language and culture and special protection in order to avoid being assimilated. Ethnic Russians, however, have expressed bitter resentment over the Baltic republics' challenge to the official status of the Russian language. Some Baltic residents also advocate limiting the number of Russians allowed to live in, or move into, the region. Sali Kaskas, a law professor

and member of Latvia's Popular Front. "One people have come close enough to extinction to be willing to fight for their future."

Those sentiments now spreading beyond the Baltics. Attending the Tallinn meeting were members of newly formed groups from the neighboring republics of Byelorussia and from the central Caucasian republics of Georgia, Armenia and Azerbaijan. Each of those republics has a first language other than Russian. "Our language and culture have been strangled by Moscow," said Zeno Panyagin, a member of the Byelorussian People's Front. "But they have survived, and they will survive."

Proposals that express such feelings were prepared for the May 25 opening of the first session of the Soviet Congress of People's Deputies in Moscow. Baltic deputies drafted a series of resolutions proclaiming that each



Rally in Tallinn: trying to unite opposition groups throughout the country

Soviet republic should have the right to self-determination and to choose their own "national path." Those resolutions, said Mijko Laciukis, a parliamentary deputy and leader of Latvia's Popular Front, should "vigorously guarantee dignity, wherever they may be." Clearly, the nationalist fervor in the nationalist diverse Soviet Union is creating a new—and potentially revolutionary—phase.

ANTHONY WILSON-SMITH in Tallinn

## World Notes

### AMBIT IN ETHIOPIA

In Adde Ababa, rebel soldiers led by several senior generals attempted to overthrow President Mengistu. Their Marxist goal hours after he left for a visit to East Germany. Loyalist soldiers crushed the coup and killed two rebel leaders around Borena Church of St. Mary. Borena and its forces died. Amha Biratu Bogalegn, a Marxist leader, and his followers were disgraced over Mengistu's prolonged civil war in the southern provinces of Amhara and Tigray.

### NURSE OF A MODERATE

The Great Mother of Nations, Kibaki—the spiritual head of Lebanon's Sunni Muslims community and a voice of moderation in Lebanon's 14-year-old civil war—was killed along with 21 others when a car bomb exploded in Na'aman West Beirut.

### SOLVET REECTIONS

Volodya Ivonov was the youngest man to result elections for the Soviet Union's Congress of People's Deputies after he touched off a riotous session by exploiting Tbilisi center to force Gorbachev in an organized crowd demonstration. Large-scale disorder throughout and accused Ivonov of "political provocation." Another rioter was Vitaly Korotich, editor of the newspaper weekly *Pravda*, who was arrested in the Ukraine after being taken to be assassinated in Moscow.

### LEGALIZING THE CHURCH

The Polish government granted the Roman Catholic Church legal status for the first time since the Communist takeover in 1944. The church in the overwhelmingly Catholic nation had long been a champion of democracy and had supported the Solidarity trade union's challenge to the government.

### A CRUSADER PLANS REBIRTH

Bela Sussman, 71, a member of South Africa's parliament for 36 years and a celebrated white crusader against apartheid, announced that he will retire before the scheduled Sept. 8 election.

### NATO COMPROMISE

U.S. President George Bush was French President François Mitterrand's support for a proposal to settle the split in NATO caused by West Germany's push for immediate negotiations with Moscow over short-range nuclear missiles. The proposal would allow negotiations, but only after a reduction of conventional forces in Europe, and would postpone negotiations in NATO's aging short-range missiles until 1992.



Menem with wife, Zedema: elaborate pretenses and an eccentric populist style

## ARGENTINA

## A Peronist triumph

Menem faces a pressing economic crisis

As the results of Argentina's May 14 general election begin to trickle in, subtle supporters of Peronist presidential candidate Carlos Menem beat drums, barked threats and waved party hand-queens in Buenos Aires, wearing blue-and-white national flags. Menem, 58, had fought a populist campaign, imploring Argentines to "Follow me." He promised better living conditions, higher wages and plenty of jobs and—playing on nationalist sentiments—pledged to negotiate a five-year grace period on Argentina's \$10-billion foreign debt. In return, Argentines, whose economy has crumbled in recent months, awarded Menem an overwhelming victory that when he takes office in December, the same day several supporters will likely demand that he live up to his rhetoric: promises—which will be a decidedly difficult task. Declared Senator Adolfo Rodríguez Saá, an outspoken, on the morning after the election, "We are looking for a savior: an Argentine miracle."

When all the ballots were counted, Menem had won 67 per cent of the popular vote against 33 per cent for the ruling Radical Civic Union party's Eduardo Duhalde. That provided a clear victory in Argentina's electoral college, which, technically, will elect the new president in about six weeks in August. And the Peronist en-

semble—a coalition of both rightist and left-wing populist groups—also won control of Congress. Four days after the election, President Raúl Alfonsín and Menem met to discuss the potentially difficult seven-month-long transition period. Menem later told reporters that he planned to reach a mission to address debts for at least \$1 billion to help solve the country's economic crisis. But while Alfonsín leaves a disastrous economic legacy, he achieved an unlikely victory in a nation that has suffered an military coups since the beginning of the century, but the first democratically elected president in 80 years to transfer power to a democratically elected successor.

Bank of Argentina's Peronist governments, in fact, ended with military coups. The movement's founder, Gen. Juan Perón, first came to power in 1946 with a program that blended elements of fascism and fervent nationalism. Perón desired the nation's treasury to subsidize subsidies, nationalize public services and create a system of dependency on the state. By 1955—when the military sent him into exile—Perón had nearly bankrupted the country. He returned to power in 1973, but could not contain growing political violence. Perón died 18 months after resigning office and was succeeded by his third wife and vice-president, Isabel, who in turn was deposed by

the military in 1976—leaving an eight years of brutal military dictatorship.

Many Argentines clearly remembered the Peronist legacies of economic chaos and violence when they elected Alfonsín in 1983, the first free election after military rule. His wife granted her party every former army officer on trial for human rights abuses. As a result, he had to deal with three military rebellions during his tenure. But Alfonsín never came to grips with the economy. Argentina is now about \$16 billion behind in its foreign-debt payments and it has paid only minimal interest in the past year. Alfonsín has signed and enacted since February and, for the month of May alone, the cost of living is expected to increase by 50 per cent. "Money here is worthless unless it is printed in Washington," said one foreign observer.

Argentina and its foreign creditors owe focus on the free-market Menem. The son of Syrian immigrants, he has been active in the Peronist movement for more than 30 years and is now serving his third term as governor of his native La Rioja province. Menem's career has been marked by an eccentric populist style. He wears bulky tank-top-and-sweater suits and a penchant for fast cars and outrageous women. His transactional relationship with his wife, Zedema, they held separate secret conversations to disparage one another after one falling out—so notorious.

But Menem's political program is less glib in the so-called Peronist, and last year—backed by right-wing voters—he defeated a "reactionary" faction that wanted to move Peronism away from state paternalism and union control. Although Menem has said that he will reshape Peronism to adapt to a modern world, his advisors insist that he will be instructed in his actions by the trade union that supported him.

During the campaign, Menem promised to create a "productive revolution" that would spur output and consumption by granting universal wage increases and pay raises. But he offered few details. And his long-term advisers from economists and foreign bankers, who—trying to bring the country's economic inflation under control—have argued drastic steps to reduce Argentina's massive public sector deficit. Menem, who has been in contact in terms with the military, which—unlike its dressed army for officers, charged with human rights abuses. On any number of fronts, he will likely need more than personal charm to bring order out of chaos.

MARK KENNEDY with CHRISTINA ROMERO, SIOBHA KELLY in Buenos Aires

## PANAMA

## A defiant dictator

Noriega prevails despite U.S. pressure

He sits up in the door and "blows"—but the record state was actually open for business is small. That was the case with the majority of shops and offices in Panama City last week, despite a call by Panama's opposition leaders for a general strike to protest the annulment of the May 7 presidential election.

"It is an ambiguous situation," said the record state owner. Although he supported the opposition's campaign against Gen. Manuel Noriega, he said, demonstrations are costly for business. But while the strike failed outright—at least in part because of government threats of retaliation—the opposition did win at least a partial victory on the diplomatic front. At an emergency meeting in Washington May 27, the foreign ministers of the Organization of American States (OAS) voted overwhelmingly to condemn Noriega for slowing the electoral process. And they appointed a three-member delegation to negotiate a framework for the speedy "transfer of power" to democratic institutions. Said Washington President Carlos Andrés Pérez, a gentle moralizer, the best reason: "A Panamanian solution is incompatible with Noriega's power."

The OAS condemnation was the most severe since 1979, when the organization called for the removal of Nicaraguan strongman Anastasio Somoza—a resolution defied by Somoza's guerrillas the same year. Last week's resolution passed by a vote of 28 to 2—Nicaragua's Somoza government, which has consistently backed Noriega, opposed Panama's position—with seven abstentions. That represented a diplomatic triumph for the Bush administration, which had lobbied extensively for its removal.

But it did not satisfy Panamanian opposition leaders, who had sought official OAS recognition after their apparent landslide win in the presidential election. And despite the popular backlash against Noriega's blatant vote-rigging, and

his headlines' brutal beatings of opposition leaders, the Panamanian dictator appeared firmly in control of his battered—and strategically-vital—nation.

Noriega's defiance is a source of continued frustration to the United States, which insisted



U.S. soldiers in Panama: denying plans for military intervention

him to follow drug-trafficking charges in February 1988, and has been trying to force him from power ever since. Last week, U.S. Ambassador Arthur Doss—on a patrol that he believed Noriega ordered the recent attack on opposition leaders as an attempt to manipulate one of them, vice-presidential candidate Guillermo Ford. And last week, Washington completed deployment of nearly 2,800 troops to Panama to support the 11,000-strong

garrison based in the country. And while U.S. officials denied that they planned to intervene militarily, President George Bush appeared firmly to the Panamanian military to topple Noriega. "I would love to see them get him out," he told reporters about his Panamanian One.

In reality, however, the Panamanian defense forces appeared to have stood ready around Noriega. And Noriega himself responded to U.S. moves with a barrage of defiance. He told a French television interview, "We cannot accept calls from the head of imperialism asking Panama to revolt to what they were slaves." He also accused the United States of trying to force on the 1977 Panama Canal treaties, under which Washington is to turn over control of the canal by the year 2000. And after the OAS condemnation, he charged the Bush administration with linking members to past the resolution and onset of that U.S. attacks on him were "rascally motivated." Why did the United States want to remove a Panamanian? he asked one U.S. newspaper. "Why? This is our only answer: because we are black."

Meanwhile, presidential candidate Guillermo Blázquez—who escaped with a head wound from Noriega's club-wielding "Migra Batallas" after the election—said he was not sure if his general order was "totally successful," despite the contrary evidence. The opposition also lacks a coherent program—beyond its antedote drive to oust Noriega. "If they ever over-ruled Noriega, what other changes are they proposing?" asked Marco González, professor of sociology at the University of Panama. "The answer is none."

It was doubtful that the OAS will prove any more effective. The group's declaration—composed of the foreign ministers of Ecuador, Guatemala and Trinidad and Tobago—was scheduled to begin its mission on May 22 and to report back to another OAS session on June 6. In Panama City, some analysts said that, if the initiative fails, Washington may even be planning to provide a military buildup to justify another intervention. But others argued that the over-cautious Bush seems unlikely to approve such action—since it means continuing to live with him for far, in Noriega's stretching delays.

BOB LEVITS with DAVID COLLINS in Panama City and WILLIAM LINTWORTH in Washington



TOYOTA CAME TO CANADA FOR ITS ENERGY RESERVES.

With the opening of the new Corolla manufacturing plant in Cambridge, Ontario, Toyota has tapped into Canada's best energy resource: Our people. People who are helping to shape not only the future of Toyota, but the future of Canada itself.

At the Cambridge plant, new techniques in business and manufacturing are being perfected. Working with teammates from Japan and around the world, Canadians are learning Toyota concepts like Kaizen, or continuous improvement. And they're discovering something about themselves: that our Canadian craftsmanship

is as good as any in the world. Already, a Canadian Corolla has won the prestigious Automobile Journalist Association of Canada award for "The best vehicle built in Canada." By 1990, the Cambridge plant will be producing 50,000 Corollas a year, for sale throughout North America.

As one of the largest selling cars in history, the Corolla has an outstanding heritage. And so it is with Canadians. Our heritage of spirit and energy is our most valuable natural resource.



TOYOTA

# THUNDER OUT OF CHINA

**MASSIVE PROTESTS  
ECLIPSE THE SINO-SOVIET SUMMIT  
AND LEAD TO  
MARTIAL LAW**

Day after day, they flowed into Beijing's Tiananmen Square, a million marchers chanting slogans, beating gongs and demanding democratic reforms. They were the ordinary people of China, inspired by the youthful idealism of student hunger strikers, one of whom declared, "We must search for a beautiful, perfect system." In 40 years of Communist rule, nothing quite like it had ever happened.

By any reasonable standards, reconciliation between the two Communist superpowers after 36 years of hostility was a major world event that Soviet leader Mikhail Gorbachev's visit to Beijing last week to set the seal on their renewed friendship was almost totally eclipsed by the mass rebellion

that swept the world's most populous nation and disrupted its official agenda. It seemed that virtually every sector of society was involved: students, artisans, white-collar workers, and servants, journalists, housewives, even soldiers and policemen. For some foreign observers, the demonstrations centered in Beijing's 100-acre Tiananmen Square recalled the 1968 Hungarian uprising and the 1968 "Prague Spring" in Czechoslovakia. Unlike those aborted rebellions, there were no tanks on hand to crush the Beijing protest; but after seven days of riotous disorder, on May 20, China's rulers heeded further demonstrations, declared martial law in parts of Beijing—and ordered troops to clear the square.

**China:** Until then, the five-member Standing Committee of the ruling Politburo had been locked in apparent paralysis. Despite the turmoil—and the loss of face over the body's inability to exert control—the rulers held back until the departure of Gorbachev, whose own political reforms had in part inspired the protests. The committee had to resolve internal power struggles that pitted the Communist party's all-powerful general secretary, Zhao Ziyang, against the hard-line premier, Li Peng. But when Zhao capitulated—reportedly offering his resignation last Friday night—Li acted immediately. Even as he declared that conditions of "chaos" and "riot" could no longer be tolerated, armored columns bearing thousands of troops converged on the capital. But the people power that had inspired the strike all week now deployed to stop the strike. In a western suburb, a crowd of 30,000 civilians blocked a convoy of 300 army trucks and armored troop carriers bearing about 4,000 soldiers. "Don't let them through," chanted the demonstrators as they surrounded the trucks. By dawn on Saturday, many of the soldiers

Student protesters in Tiananmen Square demanding the reforms, not the overthrow, of the country's Communist system

vehicles had turned back, the soldiers waving in friendly fashion to the cheering civilians. And although the government reiterated the imposition of martial law "in certain areas" of the capital, thousands openly defied the decree. To avoid the crush of red-handbooked protesters in the streets, Chinese troops began moving into central Beijing on Sunday lines and through underground tunnels—built by chairman Mao Tse-tung in the 1960s in case of a Soviet nuclear attack. The army units were from outside Beijing, and one young recruit said that officers had told them that they were going to the city for military exercises, when they learned the truth, he added, some threw off their uniforms and melted into the crowd. Two generals in lightning uniforms, marshall of Beijing, reportedly resigned rather than stand in their faces.

**China:** But there were isolated clashes between troops and demonstrators. And a western Beijing student said that about 150 police assaulted protesters with electric cattle prods. "They attacked the girls first," said student Zhu Bo. "We tried to protect them, and they hit us too." Such reports likened use of the capital despite a government order to foreign journalists to stop reporting events, as well as a complete cutoff of satellite transmissions by overseas television networks. And around the world, as critics as scattered as Hong

Kong, New York and Ottawa, Chinese protesters took to the streets in support of the students.

The unprecedented wave of protest undoubtedly had caused chaos, as Li Peng said. But there had been no reports of rioting before the crackdown, either in Beijing or in any of the regional and provincial capitals—at least 24 of them—in which the demonstrations had spread. In fact, Beijing's protests had been noteworthy for its absence of violence and an even-tempered manner that amazed and moved many in a worldwide audience who watched events unfold live on television. Clearly, Li's use of the word "riot" was intended to justify his use of force.

For many outsiders, last week's atheistic scenes did not quite add up to a revolution. The students who initiated and inspired the protests demanded reforms, not the overthrow of the Communist system. They called for more press freedoms and an end to bureaucratic corruption. They protested loyalty to the ideals of Marxism, and they often cheered to the attack of the Communist system. The International Struggling League in his hospital bed, a leader of 2,000 hunger-striking Beijing students heard a young Zhu and affirmed: "Do say that we want to overthrow the party is nonsense. Our intention is to rebuild the prestige of the party among the people."

The students' revolt began on a major but manageable scale following the death by heart attack on April 15 of Hu Yaobang, the 73-year-old ex-chairman of the Chinese Communist party. Hu had been diagnosed from his party post in January, 1987, after hard-liners within the General Secretariat criticized his failure to control student strikes across China. Now, the students issued calls for death to hasten new action. Carrying banners bearing the slogan "Democracy, you are more precious in death than in life," they organized the vigils headed by 44-year-old Deng Xiaoping (page 36). They alleged widespread official oppression and corruption and, in protests that spread to other university towns across the vast country, demanded democratic reforms.

**Politics:** The authorities promised to consider the students' complaints and they returned to their studies. But the students recalled their protests as the Sino-Soviet summit opened, plainly appreciating the potential for worldwide publicity. The movement was still essentially a student phenomenon until the start of their mass hunger strike in Tiananmen Square on May 13. The following day, inspired by the youngsters' spirit of self-sacrifice, the elite of public opinion broke and thousands of ordinary citizens converged on the square. Suddenly—but too late to take action before Gorbachev's arrival on May 18—authorities



Gorbachev and wife, Raisa, with Deng: a time of face for the Chinese hosts



## THE WEEK'S DEMONSTRATIONS LEFT CHINA'S LEADERSHIP IN DISARRAY

realized that the situation was out of control.

Norwich's correspondent Louise Doidge, who visited the square only throughout the week, reported that the atmosphere was electrifying. With police nowhere in sight, students directed demonstrators and whatever traffic had been able to reach the city centre.

Those banners hung out of their apartment windows, shouting slogans in support of the students. Many protesters wore T-shirts bearing such familiar Western slogans as: "Reddy—no," "We shall overcome," "Don't mess with democracy." One of them added, "The student movement is terrible" and then stated that he would not obey if the government ordered a crackdown. But the signs of local solidarity with the students may have given rise to the square's violent reaction. Symbolizing the newly forged alliance were banners bearing the character representing "workers" and the one representing "students"—joined at the middle by a heart.

**Corruption.** The demonstrators were by no means all young people. He Chuanxi, a 47-year-old woman, recalled moving living in Tiananmen Square when Mao was power in 1949, and again in 1979 when she joined hundreds of thousands of people calling for Deng to resume the leadership. Now, so much a participant in historic events, she said: "We need a new government."

There was too much corruption. Deng Xiaoping is too old. But last week, there was a significant difference from all the other times—including the so-called Cultural Revolution of the 1960s—when massive numbers of Chinese

ner. One of their demands was for negotiations with the official leadership—that they should be broadcast live on television. And they had spread subversive plans to call off the police to avoid embarrassing the government during Gorbachev's four-day visit. "It was not our intention that the government should lose face," explained one 19-year-old history student. "But we cannot put it aside, as we have been in the past. We have no right and we won't." That theme was echoed by one of the hunger-strike leaders, Wuji Keng.

Standing, attached to an intersection, at the foot of the Monument to the People's Heroes, he declared: "We will not give in until our demands are met."

In a conciliatory gesture, General Secretary Zhao and Premier Li visited members of the hunger strike in a Beijing hospital on May 18. There, in a gesture of the state-run television service recorded the scene as an unstarved student gave Chinese finger-wagging lecture. "The hunger problem is corruption among officials," said the student. "To solve this corruption, they must begin with their own sons." That was a reference to widespread allegations that officials' relatives get special privileges in everything from apartments to job opportunities. Pointing out the huge problems facing China—a nation with almost natural resources, poor overall

levels of education and a population of 1.1 billion—the student leader concluded that "all these problems have to be solved at one stroke." During the hunger strike, the best line I looked on grain-flood. Later, at another meeting with student leaders in the Great Hall of the People, he had his own Beijing bid: "Yell me a state of anxiety," he declared. "We must defend our

freedom. We must defend our socialist system. I don't care whether you are happy to see this or not."

Meanwhile, it was becoming increasingly clear that the supposedly state-controlled media had begun to support the students. The official leadership had refused permission for their talks with the students to be televised live. But the state television screen, deftly—and reportedly—exploited the entire national coordination. And Chinese TV later reported that the students were demanding an end to "dictatorship by one individual"—an obvious allusion to Deng.

**Beliefs.** With that kind of support, the student leadership seemed confident. "We welcome the visit to the hospital, but it is not enough," said one hunger strike leader. "Mao Tse-tung and Chou En-lai are not students. Even the military leaders of the 1920s met the students when they had grievances. This is supposed to be the people's government." In fact, although Mao had been widely regarded as dictator in his later years, he now seemed to be back in good favor along with the Mao-era Premier, Chou. Some students were Mao loyalists and one banner bore the question: "Chou, where are you now?"



Soviet soldier checking Chinese at the border, reconciliation by the Communist superpowers

As the protest grew on May 18, Tiananmen—the new square Square of the Great Heavenly Peace—saw the streets closed on it were packed with over one million demonstrators. At the heart of the square, the hunger strikers spread out makeshift mattresses, many of them under coverings of plastic or canvas to protect them from the elements.

Some carried glasses of water and salt tablets. Others asked others to drink. From time to time, volunteers roared through the square, to take the worst-affected to hospital. After treatment, the students usually returned to continue their fast. After days without food, some seemed very weak. "If one of them should die," said one diplomat, "the situation will become really explosive."

After a harrowing 48-hour fast, fellow students carried the weakened hunger strikers into the shelter of a fleet of buses that sympathetic municipal authorities had brought into the square. And in a surprise move, just before dawn on May 18, Li and Zhao went into the square to make a final plea to those to end their fast. With tears in his eyes, Zhao apologized for not having given sooner. "I have had great misgivings," he said. "This was our country to become better. The problems you have raised will eventually be resolved, but things are complicated." Li, however, took a harder line. Later that day, he said a visiting Australian spokesman that the government would "with a responsible attitude, take measures to stop the chaos."

**Agitation.** Meanwhile, apparently in response to Zhao's final appeal, student leaders announced the end of the hunger strike—even though it wasn't clear some protesters considered their fast. But the students also said that they would remain in Tiananmen Square, turning the hunger strike into a sit-in. That did not satisfy Li. Fast he ordered a ban on all demonstrations and warned that the square must be vacated by midnight on May 19. Then, he addressed a bitterly cold meeting of party, government and military leaders at the Great Hall of the People, the national seat of government on Tiananmen Square. Li accused

## SINO-SOVIET AGREEMENTS

Soviet President Mikhail Gorbachev declared that his recent meeting with Chinese Premier Deng Xiaoping—also known as a summit, rivalry and open hostility between the nations—had "epoch-making significance." Deng announced to Gorbachev's business visit to Beijing in a Chinese newspaper. "Over the past and opens up the future." A joint communique on May 18 outlined the summit's formal accomplishments.

● The two leaders declared that "normal ties would seek beginning of new time" in a part of the world.

● They re-established full diplomatic relations as a contribution to "the maintenance of world peace and stability."

● They agreed "to take measures to end the military tension along the Sino-Soviet boundary in a permanent level commensurate with the general good neighborhood relations between the two countries." During the summit, Gorbachev proposed complete denuclearization of the 7,500-km border, which was now guarded by about 600,000 Soviet troops and one million Chinese soldiers.

● They will upgrade the status of talks on territorial disputes to the foreign minister level.

● On Cambodia—a serious obstacle to improved Sino-Soviet relations over the past 18 years—the two sides agreed to disagree. Chi-

na rejected its support for a provisional government led by Cambodian resistance leader Prince Norodom Sihanouk, the head of a three-party guerrilla alliance, and including both the communist and the Vietnamese-backed regime of Prince Norodom Ranariddh.

China's support for the Vietnamese occupation of Cambodia—and only that internal problems, including repression for general divisions, under international supervision, should be solved by the Cambodians themselves. However, the two sides agreed that, with Vietnam promising to unilaterally withdraw all its troops from Cambodia by next September and was should be avoided and outside parties should not meddle in military and in the warring between.



No one promised you a rose garden.  
So you grew your own.



To apply for Gold Card® call 475.3335 (Toronto) or 1.800.263.3335.

 **Gold Card.**

© 1995 American Express Company. All rights reserved. American Express and Gold Card are registered trademarks of American Express Company. All other trademarks are the property of their respective owners.

"a tiny minority of agitators" of manipulating the political movement and "using the hunger strikers as leverage to coerce the government into granting to their demands." He added, "They have damaged production and social order, and our country's international reputation." There was no sign of Zhao during Li's address—and although there was no official confirmation of his resignation, his absence strongly implied it.

**Revered:** Behind the weekend tumult lay a quiet recognition of the death of the Middle Kingdom, as the rulers of ancient imperial China referred to the country. Like money on a spot market, Deng had risen and fallen accordingly isolated from the people and even from the rest of the leadership. There appeared to be two factions in government: the reformists led by Zhao, a protégé of Deng's, and the conservatives headed by Li. Supporting Li was a vast army of bureaucrats and party officials, concerned that their vested interests were threatened by reform. The 60-year-old Li lacks charisma, but makes up for it in personal connections. He is the adopted son of the much-respected Chou and also a favorite of the revered supreme strategist of Mao's epic 1949 March of the 1900s. As a boy, he sat on the laps of the leaders as they plotted the Communist takeover from their headquarters at Yulin, in Shaanxi province. By contrast, Zhao is an entrepreneur who lifted his way to the top as a successful exponent of reform. He has advocated greater press freedom and government reform that would make the National People's Congress less of a rubber stamp.

Zhao's ideas are more in line with those of the students and have been largely ignored. But among the population at large he is widely blamed, along with Deng, for the hardship caused by price reform—a grating source of popular discontent among workers than the absence of democratic institutions. Chou has been demoted by the Maoist political elite, and Zhao is increasingly regarded as a poor country doctor, where, as in days of imperial China, healers are sometimes driven to sell their offspring as child labor. According to official figures, some 200 million Chinese—most one-quarter of the population—are illiterate. And health services have declined, especially since the banishment of Mao's so-called backyard doctor scheme to provide care for the peasantry.

Despite such recent setbacks, the living conditions of most Chinese have improved appreciably over the decade since Deng came to power. But by failing to stimulate political

reform to match his new economic thinking—and forcing a blind eye to growing evidence of corruption—he fractured the loyalty of the students and intellectuals. And now that things have turned sour economically, he has earned the hostility of the workers as well.

For the students, Gorbachev—despite the shaky condition of the Soviet economy—has become a hero by insisting that political reform must precede economic reform. But from the moment of his arrival until his departure, the main demand of the overwhelming majority of his hosts was that he be stopped at the airport instead of in Tiananmen Square. He had to cancel a wreath-laying ceremony in the square the following day, as well as a visit to the Forbidden City—the ancient compound of the

reforms to match his new economic thinking—and forcing a blind eye to growing evidence of corruption—he fractured the loyalty of the students and intellectuals. And now that things have turned sour economically, he has earned the hostility of the workers as well.

For the students, Gorbachev—despite the shaky condition of the Soviet economy—has become a hero by insisting that political reform must precede economic reform. But from the moment of his arrival until his departure, the main demand of the overwhelming majority of his hosts was that he be stopped at the airport instead of in Tiananmen Square. He had to cancel a wreath-laying ceremony in the square the following day, as well as a visit to the Forbidden City—the ancient compound of the



The Gorbachev making the Great Wall historic visit by a charismatic figure overshadowed

market forces have contributed to a growing gap between rich and poor. In Beijing, free-spending entrepreneurs flunk their money around in private-enterprise restaurants, where the waitresses are often poor country girls exploited by their employers. Education is increasingly neglected, especially in poor country districts, where, as in days of imperial China, healers are sometimes driven to sell their offspring as child labor. According to official figures, some 200 million Chinese—most one-quarter of the population—are illiterate. And health services have declined, especially since the banishment of Mao's so-called backyard doctor scheme to provide care for the peasantry.

Despite such recent setbacks, the living conditions of most Chinese have improved appreciably over the decade since Deng came to power. But by failing to stimulate political

Chinese engineers, which is located at one side of the square. And he had to hold his official news conference as a government guesthouse on the city's outskirts instead of in the Great Hall of the People, which also lies in the square.

**Revered:** The student-led upsurge followed him in Shanghai on the last day of his visit. There, more than 100,000 demonstrators took control of the city center, showing virtually no interest in the Soviet leader. Looking increasingly irrelevant, and maintaining a scrupulous neutrality far from offending his official hosts, Gorbachev flew directly from Shanghai to Moscow on the evening of May 18 to face internal troubles of his own. He left behind him a China which, despite Li's call to order, would surely never be quite the same again.

JOHN BIERMAN with LOUISE DODGE in Beijing

# SETTLING A BITTER FEUD

## GORBACHEV'S VISIT OPENS A NEW ERA

**T**wenty years ago, China and the Soviet Union appeared to be on the brink of all-out war. In 1968, a series of border clashes along the Ussuri and Amur rivers led the two nations to mobilize their entire 7,500-km frontier. All border crossings ceased, and all trade between the two countries stopped. About 500,000 Soviet troops reinforced 700,000 Chinese soldiers as a mean standoff and widespread fears that the land battle could lead to nuclear war. But despite continued skirmishing, the two sides backed away from full-scale confrontation. And two decades later—with Soviet Leader Mikhail Gorbachev's historic visit to Beijing last week—the two nations appear to have reached a reconciliation. Full diplomatic relations have been restored, and troops along both sides of the frontier are withdrawing. Local cross-border trade, from a modest level in 1967, grew to 187 million last year and now amounts for more than 10 per cent of the \$4-billion overall Sino-Soviet trade. And at a time of decreasing hostility between East and West, the renewed ties between Moscow and Beijing have been accomplished without reopening old Cold War slurs in the West over the possibility of an aggressive Communist sin in Asia.

**Rift:** In fact, China and the Soviet Union were close allies in the years immediately after the Chinese Communist took power in 1949, and the two nations signed a 30-year treaty of friendship and mutual assistance early in 1950. But the alliance was short-lived. In 1958, a rift developed over Soviet Leader Nikita Khrushchev's decision to seek détente with the West and Chairman Mao Tse-tung's branding of Khrushchev under the Soviet Union as a proponent of the Communist world. Following a 1960 Sino-Soviet summit in Beijing, Mao denounced Khrushchev's rationale for improved relations with Washington—to avoid nuclear war—declaring that the United States was a "paper tiger." The following year, the implications of Khrushchev's withdrawal of Soviet technicians and aid experts from China.

The downfall of Khrushchev in October, 1964—his Khrushchev critics cited his conflict with Mao among other things—opened the way for a rapprochement between the two nations. The next month, Chinese Premier Chou En-lai flew to Moscow to meet Khrushchev's successor, Leonid Brezhnev. But

Chou quickly discovered that the ideological gap between the two nations was too wide to bridge. At a Khrushchev reception, Soviet Defense Minister Dmitriy Ustinov told Gorbachev that the Chinese were not interested in the Soviet Union's client state.

When Gorbachev assumed power in 1985,



Khrushchev and Mao before the rift: from border clashes to the brink of war

he readily began dismantling those obstacles. Fifteen months ago, he announced that Soviet troops would leave Afghanistan, which was completed last February. Last week in Beijing, he said that on Soviet order to withdraw 200,000 troops from Soviet Asia—something would be fulfilled by the end of 1990. Only the Cambodian issue remains partly unresolved. Although Vietnam announced last month it would withdraw all its troops by September. Now, after 30 years of misadventure, rivalry and open hostility, the two Communist superpowers appear to have put their warring past behind them and to have opened a promising new era of peaceful relations.

**Boost:** Alarmed by the Soviet's growing military strength, China began to encourage closer ties with Washington, which had never recognized the People's Republic. In 1972, President Richard Nixon paid a historic visit to

Beijing that—six years later—led to the establishment of full diplomatic relations. Three after Mao's death in 1976, Deng Xiaoping maneuvered a similarly with Soviet foreign policy. In March, 1982, at the foot of an impressive Beijing administration, Brezhnev offered to talk to Chinese leaders about normalizing relations. Two months later, the Communist party newspaper *People's Daily* announced Washington of peace talks against the backdrop while encouraging the Soviets and Chinese to blend each other's economies with endless defense spending.

**Pragmatic:** China worried in the Soviet overture. But Deng presented Moscow with a list of three "obstacles" to reconciliation: the Soviet intervention in Afghanistan; the concentration of troops along the mutual border; and the occupation of Cambodia by Vietnam, the Soviet Union's client state.

When Gorbachev assumed power in 1985,

he readily began dismantling those obstacles. Fifteen months ago, he announced that Soviet troops would leave Afghanistan, which was completed last February. Last week in Beijing, he said that on Soviet order to withdraw 200,000 troops from Soviet Asia—something would be fulfilled by the end of 1990. Only the Cambodian issue remains partly unresolved. Although Vietnam announced last month it would withdraw all its troops by September. Now, after 30 years of misadventure, rivalry and open hostility, the two Communist superpowers appear to have put their warring past behind them and to have opened a promising new era of peaceful relations.

ANDREW BELLIS with LOUISE DODGE in Beijing

# AN UNLIKELY 'EMPEROR'

## THE DIMINUTIVE DENG CASTS A TALL SHADOW

**D**eng Xiaoping is less than five feet tall, with a rounded moon-shaped face perched above an almost neckless jaw. He wears his trousers short and his socks bright, and he chooses modest and朴素的 clothes. But despite his unimpressive appearance, the man who met Soviet leader Mikhail Gorbachev at Beijing last week has wielded immense political power. For the past decade, Deng has been the unchallenged master of the Chinese Communist party—the acknowledged emperor of China—even though, officially, he only holds the title of chairman of the Central Military Commission. He has opened his country to the outside world, turning to the West for know-how, technology and investments while steering China through waves of bold economic liberalization. And while students are now calling for political reforms as well—and demanding that he resign—Deng, 84, showed no immediate signs of stepping down. “I am so old revolutionary,” he has said. “What shows have I not lived and what words have I not heard up to?”

The latest stories have been a tumultuous one indeed. Not only have the students demanded democratic reforms, but they have attacked Deng personally, accusing him of corruption and nepotism. Ironically, Deng himself had long been considered a leading reformer. He has twice been purged from the party because he was considered too liberal. Even at the height of Mao Tse-tung's ideological frenzy, Deng remained a staunch pragmatist, advocating his now-famous philosophy that “it does not matter whether the cat is black or white as long as it catches mice.” After his intense isolation in 1975, he publicly—and increasingly—upgraded himself with the single phrase, “To be rich or glorious.”

**Strategic.** According to official accounts, Deng was born in Sichuan province in 1904, the son of a well-to-do landowner. At 35, he traveled to France on a work-study program. There, he joined the ranks of expatriate Chinese communists. Deng returned to China in 1926 and led two uprisings in the Guangxi region. He later served as the political commissar of a communist army unit, fighting against the Japanese and invading Chinese nationalists, or Kuomintang. After the commu-

nists drove the nationalists on to Taiwan in 1949 and assumed total control of the mainland, Deng rose through the party hierarchy. He proved himself an able strategist, administrator and diplomat—and eventually became party general secretary under Mao.

**Personated.** That Deng was hardly a Maoist, yet was, in 1967, when Mao was advocating ideological purity. Deng suggested that a col-

lective of his five children, including Deng, was forced to operate a latrine in a tractor factory and to eat tubers. According to family members, it was so well—during long winters around his courtyard, Deng—Deng formulated a coherent political program. He returned from exile in 1973, only to be purged again in April, 1976. Mao died that September, and a year later Deng was installed as vice-premier. After a power struggle, he emerged by 1979 as the nation's paramount leader.

He did so with a clear sense of the need for change. After Mao's death, critics said, rampant and traditional Chinese values had been all but lost. The faction-driven Communist party lacked a cohesive program for the country's revival. Abandoning the ideology-driven Cultural Revolution, Deng has gradually tried to inject aspects of a free market into the economy. But, like Mao, Deng has ruled absolutely, with no pretense of democracy—what he says is simply duty.

**Pragmatism.** As leader, Deng has also indulged in more of the pleasures denied him during his quarter-century in exile. He loves the spicy food from his native Sichuan province, as well as fireworks, French cuisine and cigars. And he is, as one rival player laments, as he must need: “only when I am playing bridge can I concentrate on the game completely without thinking of anything else.” Deng also has indulged his family, promoting the attitudes’ youngest daughter, his children have traveled abroad extensively and one son enjoyed a lucrative scholarship in the United States.

Most experts agree that Deng is personally incapable of grasping the students’ main demand—democratic liberalization. They say that he is too old, too weak a prisoner of his own generation, to advance political reform in the way that Gorbachev, 26 years his junior, has done. Nor has he yet followed through on his first expressed desire to relax “I am sitting back,” he has said. “I leave the work to the younger generation.” No matter: when that generation actually ascends to power, it will step into the tall, decreesed shadow of the unlikely Deng.

MARY KEMETZ with LOUISE DODGE in Beijing



Deng: “What words have I not heard up to?”

luculent spirit was less important than productivity. In 1986, when Mao launched the Cultural Revolution, millions young Red Guards—many of them students—attacked Deng as an “anti-revolutionary capitalist road” and persecuted his family. Deng's younger brother committed suicide in 1967 and his elder son was expelled when Red Guards threw him from a dormitory window. Those accidents, analysts say, left Deng with a natural dislike for students and have limited his dealings with the current crop.

In 1986, Deng was exiled to the southern Jiangxi province along with his wife, Zhuo Lin,

# LIFE IN TWO CAPITALS

## MOSCOW AND BEIJING ARE WORLDS APART

BY LOUISE DODGE

Moscow's *Correspondent* Louise Dodge, 35, has lived and reported in Beijing for the past 19 months. Before that, she worked in Moscow—from 1982 to 1987 and in 1980 and 1981. Her assessment of life in the two capitals:

“If you were condemned to live the rest of your life in Moscow or Beijing, which would you choose?” The question comes in late 1987 from a Western diplomat who had served in China and the Soviet Union. To me, the answer was

obvious after five years in Moscow and only a week in Beijing. I replied without hesitation, “Beijing.” He smiled knowingly and said, “I’ll ask you the same question after you’ve lived in Beijing for a few years.”

I was taken aback. True, I had only just arrived in Beijing, but life was clearly much better there. In Moscow, living conditions had been abysmal. The shortage of food in the stores, particularly that of meat and vegetables, was so dire that I had resorted to making a weekly food order from a department store in Poland, which would send it down by train every Friday. My apartment in the guarded compound for foreign diplomats and journalists would probably have been condemned in Canada as luxurious. Heat from the kitchen never radiated through the wall into the living room. The balcony was made of concrete slabs held up by wooden planks. The walls were so uneven that I felt sick looking at them.

There was all that made life wearing: no surveillance tended to be crude and cramping; guards stood six feet from number when I stepped out. Russian friends were prevented from visiting unless I accompanied them in and out of the compound—and even then they were sometimes picked up after I left them.

By contrast, Beijing seemed like paradise. Streets were overflowing with fruit and vegetables—more strawberries and mangoes from the warm south—because the pragmatic Chi-

nese had seized on new opportunities to become private farmers and sell their own produce. And foreigners could see such work every day on the streets. The Russians and the British law, which had speeded to attract tourists and their foreign currency. There were health clubs and all kinds of restaurants—from Japanese and Chinese to French and Italian. My apartment in a foreigners’ compound was spacious and well built. Surveillance was low-key, although that was partly because West-erners rarely stayed out among the Chinese.

A year and a half after moving in, however, what the diplomat meant is becoming clearer.

Officials, senior editors and other people whose conversation should have been stimulating.

The Chinese self-censorship is not evident in their language. Chinese speak every day reporting and censoring characters—they have to learn several thousand. For foreigners, the spoken language is as accessible as the written one. It is four times. If you speak the same word in the wrong tone, you may say something incoherent or with another meaning altogether. My son was born in the Chinese New Year of the Dragon, the luckiest year in their 12-year calendar. But his words, whenever I told Chinese that he was a “dragon,” they rather than congratulatory. They looked at me sympathetically. I was puzzled until one Chinese explained that I was using the right word but the wrong tone. I was telling them that he was dead.

Russians, on the other hand, are so confident people that life among them is easy, exciting and colorful. So many times, these two cities are so different, and so different, that we talked until sunrise, solving the problems of the world over tea, vodka and dark beer. This national trait is also emerging in their relations. There may be little love in the stores, but Soviet news media are exploding with pleasant, glowing words about and sometimes that have been bottled up for years under oppressive leaders.

Despite such differences, the two countries share one key factor: their business opportunities are colliding, and each is struggling for a new momentum. For the most striking change that has taken place among Chinese youth—a class understood even the past month by student protests. When the Soviet Union's Mikhail Gorbachev is the main engine pushing for reform in the Soviet Union, it is the people under 30. They are, after all, open to new ideas with the advances flowing in through the door. That Deng Xiaoping opened to the outside world. And they are making Beijing—the all its traditional self-censorship—into an increasingly fascinating place to live.



Beijing market: fresh fruit and vegetables but without conversation



Ships in Shanghai  
Awaiting loading orders

COVER

# THE LURE OF THE GOLD COAST

## CHINA'S EXPERIMENT WITH CAPITALISM

The old Maoist dogmas exhorting the masses to follow the socialist path are gone. In their place, new slogans read: "Time is money" and "Efficiency is life." And instead of producing shoddy domestic goods, the factories—now privately run—claim out Armani designer clothes and European television sets for export to the West. The striking changes have taken place along China's Gold Coast. From Dalian in the north through Shanghai to Hainan Island in the south, it is a 4,800-km-long stretch of the nation's eastern seaboard dotted with special economic zones and so-called open coastal cities, which attract foreign investment with generous tax breaks and some of the cheapest labor in Asia. The zones and open cities were designed to be the engines of China's leader Deng Xiaoping's economic reforms. Soviet President Mikhail Gorbachev, who has expressed interest in copying them in his own country, last week traveled to Shanghai for a firsthand look. But at the same time, barely six years after its inauguration the province of the Gold Coast has lost some of its luster.

By tradition, Deng's coastal development

strategy violates the fundamental egalitarian premises of communism. But Deng has argued that some people must become rich first and that the Gold Coast, with its existing industrial base and 200-million population, will eventually pull poorer and more backward interior provinces into a new phase of expansion. In fact, Chinese conservatives say that the special zones—far from being engines of growth for the whole country—have not generated prosperity in China's vast inland regions. And the critics charge that Deng's reforms are slowly eroding Mao Tse-tung's single greatest achievement: the unification of a country that had been a mosaic of warring regions under feuding warlords.

**Impressive:** Under Deng's plan, the improvement in coastal life is clearly impressive. The young women who join together the big companies of digital watches for as little as \$50 a month in wages are earning more than Chinese workers—were accounting for inflation—could have dreamed of under Mao in the 1950s and 1980s. And whole villages once barely scratching out a living, have turned themselves into prospering cottage industries

producing everything from ceramic tiles to corrugated cardboard boxes. But private business in coastal and western China are adamantly equal. "If the coastal policies are only looking to experts, how are we in the vast interior to make sense?" asked Zhang Duanhang, the island Xijiang Dynasty service vice-chairman. Added a high-ranking Guizhou province official: "While coastal cities are being vigorously developed, what about the backward provinces do?"

**Investment:** What interests officials particularly present in the prices paid for the raw materials they ship to coastal factories that produce them and then sell the finished products abroad for substantial profits. Anti-inflation is feared to self-sufficiency, coal, steel and other basic commodities to coastal enterprises at low, state-controlled prices imposed by Beijing. The coastal regions, meanwhile, send items into the interior to buy up scarce food and raw materials with their profits, further impoverishing the inland. And the brightest young Chinese men and women are deserting the backward interior for the opportunities of the coast.

Except for the coastal Beijing, there is little foreign investment of the Gold Coast. Out of a total of 14,000 foreign and joint ventures in China, 92 per cent are in 10 coastal provinces—with July 54 per cent concentrated in southern Guangdong province, whose capital, Guangzhou (Canton), and the nearby cosmopolitan of Shenzhen border Hong Kong. Shenzhen is where Kanara, Citic-based Maat Corp.—in one of Canada's few investment ventures on the Gold Coast—operates, using local labor to assemble such telephone equipment as microcomputers and coin-switchboards.

**Corruption:** Sociologists say that the recent introduction to China—especially Catholics in construction funds and lighter credit—now threatens the entire coastal strategy. Paving the path of those measures, the governor of Guangdong province, Ye Xiangping, recently made a desperate plea to Beijing "to make an exception" because "we must honor contracts, keep our promises and maintain the continuity of policy." There also has been a ripple of nervousness among foreign investors, who expressed concern that the recent student protests in China might provoke a conservative backlash and even deeper intervention. But most analysts say that the Gold Coast—if occasionally battered by economic and political setbacks—is too important to China's future to ever be abandoned entirely.

LOUISE DOUGLAS in Shanghai



## THE PERFECT MACHINE FOR THE PERPETUAL-MOTION FAMILY.

We've got a clear choice for the family that's a constant blur of activity. It's our new Buick LeSabre. Full-size luxury accommodation to get to the fun in a proper state to participate.

You want a very high comfort-quotient if you and your gang are to arrive refreshed and vigorous. Buick has the touch, like nobody else priced

this side of the condonable, to make you feel happy inside. LeSabre's interior immediately feels richly detailed, substantial, and authentic.

LeSabre's ride is the real thing, too. Classically Buick. Our Dynaflex suspension system handles every road condition with amazing poise. You enjoy total confidence and relaxation over those long hauls.

The family on the move needs power on the road. Unflinching potency right across the powerband. Buick's sophisticated 3800 SFI V6 has the depth it takes to make sure you're never ever out of yours. Just a little something with which to overtake the underenthusiastic.

Every journey may begin with a single step. But it's better to stop with a lot of them. Available anti-lock brakes pulse up to fifteen times per second to help freeze-frame the action in a straighter, safer line.

See your Buick dealer soon. For a Buick brochure or SmartLease™ information, please call 1-800-465-3273 anytime.

**TOTAL**  
3 YEAR or 50,000 MILE  
WARRANTY





## BUSINESS

# THE SCREEN WARS

### FAMOUS PLAYERS WILL UNVEIL A FLASHY NEW THEATRE IN ITS BATTLE WITH CINEPLEX ODEON

**T**his week, Audiana *fronts* and the Last Crusade will arrive in North York, Ont. The third installment in Paramount Pictures' blockbuster event series says will be Canada's premiere in the newest theatre in the country's largest movie-house chain, Famous Players Inc. And, among the guests arrived to sample the opening-night champagne and cocktail snacks with company chairman Walter Senior is Garth Drabinsky, the beleaguered chairman of Famous Players' arch business rival, Cineplex Odeon Corp. Famous Players is in the middle of

an ambitious five-year building and renovation program, and the differing unit across theatre showcases rising design budgets that are clearly a response to excitement attracted by Drabinsky over the past decade. But last week, as Famous Players pressed ahead with its expansion plans, Drabinsky's group as the chairmanship of the company he co-founded appeared to be slipping.

In many ways, the roles in the battle between the two giant Toronto-based exhibitors are now the reverse of what they were in 1985, when Cineplex was rapidly closing as a three-stage Famous Player. At that point, the board of Famous Players called as Senior, 45, an aggressive, U.S.-born film distributor with extensive experience in Central America and Japan, to revive the company's fortunes. He quickly commissioned a detailed survey of moviegoers' attitudes toward both his theatre and Drabinsky's unit, based on the results, he launched the ambitious renovation and building program. Meanwhile, Cineplex's debt soared as it acquired more theatres as the United States—becoming North America's second-largest theatre chain, after New York City-based United Artists Theatre Circuit. And last month, Drabinsky became embroiled in a legal

At Theatre's Eptema, a Famous Players theatre, an ambitious building drive

dispute with Cineplex's largest shareholder, California-based entertainment conglomerate MCA Inc., after he tried to gain voting control of the company by arranging the sale of Cineplex stock to a group of supporters. Now, he and vice-chairman Myron Gottlieb are trying to raise the roughly \$850 million they will need to buy all of Cineplex's shares.

But last week, Cineplex's board of directors made that task more difficult. It curtailed Drabinsky's authority by creating a new, seven-man office of the chairman to review all of the company's major decisions. Aside from Drabinsky, the office consists of two other directors: Charles Paul, a vice-president of MCA, which owns 48.1 per cent of the company's shares and which has a 39-per-cent voting interest; and James Raymond, representing a group of investors, associated with Montreal financier Charles Bronfman, which owns about 36 per cent of the Cineplex shares. The new alignment paved the way for Drabinsky's and Gottlieb's position set by guaranteeing them a services payment—a so-called golden parachute—of \$9.5 million should the board accept

a bid for a majority of Cineplex's shares from another party.

Maintaining his public silence on recent developments, Drabinsky declined to be interviewed by *Maclean's* last week. But Senior, who was closely following Drabinsky's battle, acknowledged that Cineplex's difficulties may weaken its ability to compete. He added that Famous Players will continue to expand regardless of what Drabinsky does. Senior said that it now plans to expand to about 690 screens across Canada over the next three years from its current total of 448.

Much of the building activity was a result of the company's challenge to the Drabinsky. An 18-theatre expansion Cineplex, he was widely hailed for such innovation as multiplexes (theatre, plus art deco lobbies, not before or popcorn and separate snack bars offering such controversial fare as cappuccino, quiche and speech aids) but in the Famous Players

wholly owned by Gulf + Western Inc., which in turn owns Paramount Pictures. And Famous Players exhibits movies in Canada by Warner Brothers, Walt-Disney Pictures and Walt Disney Co.'s Buena Vista Canada Inc. Cineplex has historically exhibited all the films of Twentieth Century Fox Film Corp., Columbia Pictures and Universal Studios, which is a division of MCA. A breakdown between the studios shows that, in 1986, Famous Players exhibited eight of North America's Top 10-grossing films.

Still, Cineplex reported a profit of \$10.7 million for the first three months of the year, but the company ended its part of its ongoing lawsuit against the Drabinsky in a settlement from the sale in March of its 50-per-cent share of Universal Studios Florida, an amusement park near Orlando. Patrick Skelly, an analyst with Toronto-based Mason Phipps Canada Inc., and that, compared with the first three months of 1986, Cineplex's

net operating revenues grew by only 1.5 per cent, while its expenses jumped by one-third, mostly because of distribution rights purchased on some unsuccessful U.S. movies.

Famous Players' financial performance is harder to evaluate. Because it is a private company, it releases only limited financial figures. On May 2, it reported that total revenues for the first six months of fiscal 1988 reached \$37.2 million, compared with \$19.5 million for the same period last year. But a prospectus issued by the company for an obscure 1987 public share issue showed that it was running a respectable net income of about seven per cent of total revenues, and had little long-term debt.

But many analysts say that the movie industry's whole is less the end of a four-year agonized cry that could replace all exhibitors' box office receipts. At the same time, they add that the movie industry's whole is less the end of a four-year agonized cry that could replace all exhibitors' box office receipts. At the same time, they add that the movie industry's whole is less the end of a four-year agonized cry that could replace all exhibitors' box office receipts.

But many analysts say that the movie industry's whole is less the end of a four-year agonized cry that could replace all exhibitors' box office receipts. At the same time, they add that the movie industry's whole is less the end of a four-year agonized cry that could replace all exhibitors' box office receipts.

But many analysts say that the movie industry's whole is less the end of a four-year agonized cry that could replace all exhibitors' box office receipts. At the same time, they add that the movie industry's whole is less the end of a four-year agonized cry that could replace all exhibitors' box office receipts.

JAMES DAILY



Drabinsky (above), Senior: their rules are reversed



## Business Notes

### AIR CANADA ON THE BLOCK

The federal government announced that it will sell the 57 per cent, or 41.3 million shares, of Air Canada that it still owns. John McDermott, federal minister of privatisation, said that the stock market and the financial condition of Air Canada are favorable signs to go ahead with the sale, which will raise about \$493 million.

### THE BANK OF CHINA SAYS HI

The Bank of China—one of the world's largest banks—will be making an official expansion and may open an office in Toronto by the end of the year, according to a senior bank official.

### CRITICIZED EXCON

Angry shareholders and reform-minded MPs at Enron Corp.'s annual meeting demanded that chairman Lawrence Fast resign over the company's Alaska oil spill. Despite the fury that Enron's speakers expressed, his slate of directors easily won election.

### MORE PROBLEMS FOR CORNELL

The U.S. Securities and Exchange Commission ruled that two American-based Israeli fund companies, owned by Principal Group Ltd. founder Donald Cornes of Edmonton and his family, widely misled 18 investors and subscribers of the U.S. Company Act.

### STAR-KIT BUSINESS BACK

Star-Kit was returned to the Canadian market with the successful placing of one ton of the film on supermarket shelves in St. Andrews, N.B. The Star-Kit plant is nearly finished that does in October 1985, after two federal Parliament Minister John Frenkel approved the sale of an additional ton of film that has been rejected as unfit for consumption.

### MURDOCH SUES DISNEY

Australian-born media tycoon Rupert Murdoch sued the Walt Disney Co. in Los Angeles for \$2.5 billion for allegedly having used its own program to gain a competitive television channel in Britain and supply films with programming.

### VANCOUVER EXCHANGES

The latest issue of two of the most respected business publications in the United States—*Forbes* and *Fortune* magazine—describe the Vancouver Stock Exchange as a financial center that preys on investors. *Forbes*'s says that Vancouver has a reputation deal with the United States. "We sold them our real estate, their exact their worthless securities to us."



Sorrell (right) deep concerns that creativity may be sacrificed

## Mediums and messages

A huge takeover stuns the advertising industry

Many *Madison Avenue* advertising executives call Martin Sorrell "the British ape." It was his financial wizardry that created the world's largest advertising conglomerate, Saatchi & Saatchi Co. PLC in Britain. And it was Sorrell who introduced the New York City ad industry to the world of hostile takeovers, with his 1987 acquisition of 267 Group, the parent company of J. Walter Thompson agency. Now the chairman of new group PLC, the London-based advertising company, has triumphed in his most audacious scheme yet to buy Ogilvy Group Inc., which owns the venerable New York ad agency Ogilvy & Mather Worldwide.

Ogilvy executives regarded entry to Sorrell's original personal of a so-called merger in early May and fought fiercely to remain independent. But Ogilvy's chairman, Kenneth Rosen, could find no friendly U.S. takers to match Sorrell's offer of \$64 a share in cash—up from the original \$33.50. Rosen, reputed the man who is great U.S. football coach when he told Ogilvy shareholders last week "As Vince Lombardi said, I never lost a game, occasionally, I just ran out of time."

The 44-year-old former's \$1-billion takeover of Ogilvy comes at a time when U.S. advertising firms and advertising clients are

growing increasingly critical of major players in the industry. Critics decry that the wave of takeover activity since 1985 has homogenized the style of individual agencies by placing profits ahead of creativity. And others fear that the upheaval in the industry has eroded service.

Industry analysts have also expressed concern about the financial soundness of forming such huge media conglomerates. Sorrell's new super, including J. Walter Thompson and Ogilvy, will be the world's second-largest advertising public relations and direct-response conglomerate, with billings of \$11.2 billion last year (that Saatchi's is \$10 billion). "I have a lot of respect for his business acumen," says Fred Arnold, an analyst with the New York Securities firm of Dewey, Rusk & Leffman. "He may be overreaching."

In fact, some acquaintances of Sorrell say that the factor driving his bid was ego rather than financial gain. When Sorrell was financial director for Chelton and Mawer, Seattle, he was once known as "the third Sorrell." After Sorrell left, the brothers' profits declined. Now, advertising executives say that the worldwide Sorrell wants to prove that he can build the world's largest media-relations conglomerate. He is already riding high on his success

with JPT, whose revenues soared to \$665 million this year compared with \$360 million in 1987. But Sorrell downplays the personal criticism last week. Said Sorrell: "We are not the target, nor do we want to be."

Sorrell's greatest coup in the deal was his swift success in overcoming Ogilvy's fiercely resistant management. Ogilvy's legendary founder, David Ogilvy, 77, even emerged from retirement in his Madison Park to insist the takeover proceed in an effort to the independence of 267 Group company. "What I feel is missing," Ogilvy later told *Madison* from his Paris residence. "It took me 40 years to build that beautiful baby, then some little accountant comes along and thinks he can run this."

But last week, Sorrell dined with David Ogilvy in New York, and apparently overcame his objections and convinced him to accept a title of honorary chairman of WPT. And he satisfied Ogilvy management's concerns about independence by guaranteeing that the agency would operate autonomously in competition with J. Walter Thompson for at least two years and that there would be no management changes.

Ogilvy directors agreed to Sorrell's offer even though his bid was not the highest. A few hours before the deal concluded on May 11, Interpol Group of Cos., a New York-based advertising conglomerate, delivered a merger proposal to Ogilvy worth roughly \$70 a share. But Ogilvy does not expect it on the grounds that the offer would amount to an exchange of Interpol for Ogilvy shares—instead of cash—and would have created enormous client conflict problems.

Analyst publications last week by the U.S. magazine *Advertising Age* suggested that Ogilvy could lose \$600 million in billings as a result of the takeover. Several of Ogilvy's clients have already begun to consider going to the firm's former business. Ogilvy's 32 executive vice presidents of U.S. agencies for Joseph E. Seagram & Sons, told *Madison* "I do not appreciate the idea that someone else can lay the rights to represent Seagram." Although the takeover is expected to have little immediate impact on the Canadian operations of either Ogilvy or J. Walter Thompson, it poses some potential client conflicts. Ogilvy & Mather (Canada) Ltd. has accounts with Royal Trust and Quebec Oats Co. of Canada, while J. Walter Thompson Co. Ltd. represents the Bank of Montreal and Killam Sales Canada Inc. But Ronald Burns, president of J. Walter Thompson in Canada, said, "Not one Canadian client has set their account on hold."

Sorrell must also convince critics who protest that in two years he may merge the two stylistically different agencies. Ogilvy, best known in Canada for its male industry ads, prides itself on an effective conservative advertising, while Thompson strives for creative brilliance. Sorrell's marriage acquisition is clearly causing the growing rift between the two agencies not necessarily be better.

ARN WALMSLEY and LARRY BLACK in New York City and JEREMY BART in London

## Reshaping an empire

The Bronfmans plan a lucrative share issue

It is a vast, sprawling and bewilderingly complex corporate empire, comprising more than 150 companies, assets worth almost \$100 billion and more than 190,000 employees. It is controlled by two Toronto-based brothers, Edward and Peter Bronfman, and managed by a small, highly motivated group of senior executives. The brothers, Edward, 61, and Peter, 50, have maintained their control through joint ownership of a family holding company called *Bronfman Investments Ltd.* After assuming their empire over the past two decades, the Bronfmans last week announced a fundamental restructuring that will reduce Edward Bronfman's share of *Bolton*, allow the public to buy up to 10 per cent of the company and potentially increase the ownership pattern of senior managers.

Travis Elyon, president of *Bronfman Ltd.*, a key company in the Bronfman empire, told *Madison* "It assumes continuity of control and financial strength while providing Edward's family with a demonstrated value for their holdings."

The restructuring will result in a change in ownership at the pinnacle of the Bronfman empire. Edward Bronfman and his family will own 33 per cent of a newly created company called *Bolton Enterprises Ltd.*, down from 50 per cent, and a \$100-million share issue will put 10 per cent of *Bolton Enterprises* in public hands. Peter Bronfman, another holding company and a group of senior managers will own the remaining 57 per cent. Elyon said that the restructuring will not affect the ownership or management of *Bronfman*, where International Flavors Ltd. or *Cornell Holdings Inc.*, the three holding companies that manage most of the Bronfmans' real holdings. And Ed Edward Bronfman, the change also means that his children could eventually receive capital from the sale of their shares.

The Bronfmans control 40 per cent of *Brown*, 50 per cent of *Corona* and 40 per cent of *Brew*. These firms in turn own controlling interests in dozens of Canada's largest consumer products, natural resources, financial services and real estate companies. The Bronfman portfolio includes the London, Ont.-based beer John Labatt Ltd., Toronto-based mining conglomerate Noranda Inc. and Calgary-based real estate developer Trizec Corp.

The brothers' whose late wife Samant Bronfman built Montreal-based *Seagram Co. Ltd.* into one of the world's largest daily enterprises—are now estimated to be worth \$1.3 billion. They are grappling with the issues of succession and the need for stable management to run their vast holdings at the future. Edward has three sons, Paul, David and Brian, but none works for the family business. Brian-

ly, Peter has three children, Linda, Bruce and Florida. Bruce Bronfman, 30, works as a leasing agent with Trizec, while his two daughters are married and raising families.

Bronfman's Elyon said that by selling a portion

of *Bolton Enterprises* to the public, the Toronto Bronfmans will be able to put a market value on their *Bolton* shares. As well, Edward Bronfman's children will be able to sell their shares. Said Edward Bronfman: "We will be kept well-informed about the operations of the *Bronfman-Cornell* stable of companies, and Elyon. And senior managers will need his approval before undertaking major new activities. But Edward Bronfman, it seems, there is simply too much at stake in this huge empire to bow out completely."

D/ARCY ENISH



Distilled in Canada by Schenley Distillers, Inc. An Acquisition Company



# A baron who was larger than life

BY PETER C. NEWMAN

When news of Edward P. Taylor's death in Nassau, at 80, last week, financial writers, columnists and TV news assignment editors hurriedly searched for an appropriate capsule summary of the man who was later symbolized as often by the business as the boat. They didn't come up with much new material because Taylor, who left these shores two decades ago for the Caribbean, had all but vanished from this or any other country's consciousness.

But in mid-century Canada he stood out in the struggle between the haves and the have-nots as the epitome of riches gained and power wielded. Canadians felt, with good reason, that no matter how they spent their psychopas they would eventually catch his grey-top-hatted essence, portrayed so often in the sports pages' headlines perched on portly stanchions, usually occupying the latest racing trophy. He was condemned by accident as "the croning Croesus of the business," by commentators as "Baron Pivotal Taylor—the real master of millions" and by prohibitionists as the Beer Baron generally responsible for the fate of every Canadian sailor.

The instrument of Taylor's financial misadventure was the Toronto-based Argus Corp., named out, without purpose, after the son of Phloxes, the daring adventurer in Greek mythology who built the ship that discovered the Golden Fleece. Modeled after New York City financier J.P. Morgan's J.P. Morgan Corp., it was the country's first closed-end investment fund, acquiring control of a widely diversified portfolio of corporations through minority holdings. The conglomerate's influence grew exponentially through the 1950s and 1960s, so that a random sampling of trades on the Toronto Stock Exchange on Jan. 5, 1964, showed fully 16 per cent of that day's transactions had been in Argus-controlled companies.

Prevailing myths to the contrary, Taylor was neither the richest Canadian of his day (that honor was shared by Sam Bronfman and

## E. P. Taylor stood out in the struggle between the haves and the have-nots as the epitome of riches gained and power wielded

John David Ralston) nor did he inherit his wealth. His father, who had served as a shipbroker in the War of 1812, was immensely comfortable but, at his death in 1944, left his son exactly \$12,325. Young Eddie attended Ottawa's Ashbury College, graduated as a mechanical engineer from McGill in Montreal, then moved back to the capital, where his first ventures were Bud Line Ties and the Yellow Bus Co. He did some of the driving himself.

He eventually acquired from his grandfather a day local brewery. Over the next decade, spending across the country in his black Phlox suit, which he had outfitted in an office, he acquired 30 breweries in nearly every province and seven American states and turned them into Canadian Breweries Ltd., then the world's largest, selling sales worth \$1 million per day.

Taylor spent the two years in unpaid government service, mostly as head of the Washington-based Office of Supplies Ltd., which co-ordinated U.S. and Canadian arm purchases. He was later appointed by Winston Churchill to run the British Supply Council, which managed all of the United Kingdom's American war requirements. He resigned from the Second World

War in 1944, declaring, "By then, I knew what war would be."

Argus quickly captured control of Dominion Stores, the St. Lawrence Corp., Dominion Tea & Chemical, Victory Mills Ltd., B.C. Forest Products, the then-powerful Massey-Harris and, finally, Pearson International Airways. Massey's international operations were the major's centerpiece, but in 1968, Taylor abruptly fired James Dawson, the tractor company's chairman with 46 years' seniority. Accused of being ruthless, Taylor replied in laconic indignation: "No, ruthless? Certainly not. But when I'm right and management's wrong, of course I get rid of management."

Despite his despotic corporate behavior, there was a charming side to Taylor, his cherry-cheeked face graced by laughter lines as he began each phone conversation with a chuckle. "This is Eddie . . ." His usual worked like a telephone exchange, enabling him to switch from one set of numbers to another without missing a beat. "Eddie can read a balance sheet like a poem and tell you where it doesn't read," went the fly Street buzz. His main relaxation was horse breeding and racing, his mounts winning the Queen's Cup, the Ontario and Kentucky Derby races with Northern Dancer.

Taylor spent most of his life in the corporate line. "The worst days are Saturdays and Sundays," he told one of his 74th birthdays, "because I'm the only one who wants to work." He rarely publicly brooded about meetings in his Hawkeye. Solidarity yet, punctuated temperance and pride—his racing colors. After resigning the Argus presidency in 1969, he sold Canadian Breweries for a \$117.7-million profit and moved to Lyford Cay on New Providence Island in the Bahamas. There he built a private club where millionaires could use themselves in an atmosphere made surprisingly tranquil by the resistance that local authorities resented libelous accounts of such debauched refinements of civilization as personal cocaine use and death duties on real estate. He became a Bahamian citizen in 1977 after selling his Argus stock to First Investment and gradually placed himself out of any Canadian consciousness. The last time I saw him, Taylor had just signed a deal with Daniel Lachue, then the world's richest man, to build assembly-line housing for the Third World and was actively negotiating with the State of Iran and the president of Indonesia for his first contracts.

Taylor is an important figure in Canadian business history because he was the last and most successful of his breed: a genuine rubber horse who bested nearly all his competitors and lived to enjoy the spoils. If there was one prize that eluded Eddie, it was his almost childlike jealousy for a Bahamian title. He was made a Companion of St. Michael and St. George, but the cherished knight hood never came—even though he had bought the appropriate marine house (Blith Hall, in Woodlands, Surrey) to enjoy it.

After I had written a long and fairly critical chapter on E. P. Taylor in one of my books, a mutual acquaintance asked him what he thought of it. "Well," Eddie replied, "Severus is a damn caricature . . . but I think I'd keep him on my Christmas card list." And he did.



## "I want The Westin"

PEOPLE WILL KNOW YOU MEAN BUSINESS QUALITY—You want The Westin Hotel for the quality, the service, the facilities and because you deserve it. Our commitment to the highest standards of service checks you in and out quickly, delivers your messages and serves you a good breakfast in practically no time at all. Meeting rooms and health clubs make your stay

productive and rewarding. Wherever there's a Westin in Canada, there's a place you'll want to be. We're in the right place at the right time so that you can be too. That's why you want The Westin.

Aeroplan members will receive bonus miles. For RESERVATIONS call 1-800-828-3000 toll free or your travel planner.

# The new COMPAQ DESKPRO 286e. Further proof that what's on the outside,



Compaq has earned a reputation for building the most powerful and reliable personal computers in the world.

Credit this to the engineers at Compaq who work to make sure that you have the exact combination of features needed to do your job. And do it better.

The new COMPAQ DESKPRO 286e is the latest personal computer to prove this point.

It brings a 12-MHz 286 microprocessor together with a long list of integrated features. All in a compact package that takes on the latest applications, without taking over your desk.

Start with high-performance



Five expansion slots give you room to grow one for high-speed memory, and four for thousands of industry-standard add-ons.

built-in VGA graphics. It gives you higher resolution and sharper contrast, so everything from

## says a lot about what's on the inside.

text to graphics is easier to read.

It also gives you the capability to display up to 256 colors simultaneously on a VGA monitor.

We know you have lots on your mind. That's why one megabyte of memory is standard and

can be expanded to 13 megabytes using a separate high-speed memory expansion slot. So you can

handle an interrupt even you can't connect a mouse, printer, modem, or other tools without taking up a slot.

tackle just about anything you want.

Need room to grow? Four industry-standard expansion slots let you add extra capabilities to do things like swap information with other PCs. Work over the phone. Even get on speaking terms with a mainframe.

The COMPAQ DESKPRO 286e Personal Computer also allows you to use up



Now it's all yours in a desktop PC with built-in high-speed VGA graphics.



to four internal storage devices, choosing fast 110-, 40-, or 20-MB fixed disk drives, both 5 1/4- and 3 1/2-inch diskette drives, as well as tape drives.

Simply translated, the COMPAQ DESKPRO 286e has the features

Now it's all yours in a desktop PC with built-in high-speed VGA graphics.



and compatibility to easily run the spreadsheets, reports and other work you do.

And it can just as easily run on a network, so you can share your ideas with everyone.

It's this kind of attention to detail that's made the COMPAQ name unparalleled for quality, reliability

That's about covers it. Inside and out.

For a free brochure on the COMPAQ DESKPRO 286e and the location of an Authorized COMPAQ Computer Dealer near you, just call 1-800-263-5868, Operator 92. In the U.S., 1-800-263-0800, Operator 92.

**COMPAQ**

**DATA INC.**

It simply works better.

## PEOPLE

### DANCING FOR LONGEVITY

She just celebrated her 55th birthday, but for world-famous choreographer Martha Graham the occasion did not warrant a day off. "Each day when I can't work is a lost day," said Graham, who spent her birthday vigorously preparing Mikhail Baryshnikov for his June 1 performances with the Martha Graham Dance Company at New York City's Metropolitan Opera House. Added Graham, who is taking her troupe to the Soviet Union in December and spends her evenings writing her autobiography: "I'm interested only in the future, in going on."



Apollonia: 'Detentionnaire'

### An easy sell

On June 5, Rod Stewart will be the star attraction at the first concert at Toronto's new 34,000-seat dome stadium, but the singer and his band say that the gig is just one more stop on a long road. "We've played dozens of big places, many times before," said Stewart's lead guitarist, Jaki Goble. On June 10, 1987, the 44-year-old Scottish pop star and his band have been on a tour of the United States—across the country three months, 10-city Canadian visit—in promotion of Stewart's 19th album, *Out of Order*, which has sold an impressive 450,000 copies in Canada since its May, 1986, release. Goble says that Stewart, who canceled—but has promised to reschedule—three Marliners concerts because of the last week in conflict that he can easily down a full house to Toronto's SkyDome, the future home of the Blue Jays and Argonauts, Scott Goble. "Rod's old but he's got it in one, and now they are even bringing their kids along."



Stewart: 'played dozens before'

### FOR THE LOVE OF MONEY

For most of the past decade, **Harold Brando** has taken second billing, preferring lucrative cameo appearances over major movie roles. In 1986, he earned \$3 million for 30 minutes in *Superman* and last year, after playing another bit part in the drama *A Day After Tomorrow*—to be released this fall—the renowned actor said, "The only reason I'm in Hollywood films is that I don't have the moral courage to refuse the money." However, for his latest multimillion-dollar appearance, he has not only agreed to leave his Pacific Ocean still home long enough to play a leading role, but to learn some skills—skating. Brando, 65, who won an Oscar for his role as a slow-moving Mafia boss in the 1972 movie *The Godfather*, will play another gangster—the lone one who escapes twirling on skis—in the comedy *The Professionals*, now filming in Toronto. But when the actor puts on his skates for the first time, he may regret that he agreed to more than a walk-on part.

Brando: learning a new skill



### A test of staying power

Coaxing Kevin Connolly, 37, and his international crew of eight are preparing to make history. In July, the group will be the first to attempt to canoe a 2,000-mile section of China's perilous 3,700-mile Yangtze River. Predicting that the team—which paid the Chinese government \$240,000 for the privilege—will be together in their 26-foot canoe for two months, Bernack added, "There's no going to be room for ego."

# To a breathalyzer they're all the same



These standard servings of beer, wine and spirits all contain an equal amount of alcohol.

So don't be misled by appearances. And never mix drinking with driving.

### DIFFERENT. BUT EQUAL.



THE DISTILLERS OF CANADA

40 Spence St., Suite 100, Ottawa, Ont. K2P 1T5

Distillers based on servings of 8 oz for 100% alcohol, 5 oz. for 40% ABV, 1.5 oz. for 50% ABV. Each serving contains 14 g pure alcohol.



# A young driver humbles the car

BY CHARLES GAUDIN

At the age of 7, Jason Rider was on the way to becoming a natural hero, and it is well to ask why. Already, Jason's story has appeared at the top of page 1 in *The Ottawa Citizen* and in newspapers across the country. He has been awarded an *As It Happens* and *News* stories when else has a child ever been on the news about?

The exploits in question were not all that uncommon for the average person. But the average person is not seven years old. And the average seven-year-old does not get into the family Buick, start it up and drive it 1.2 km to school. According to a policeman at Cornwall, Ont., where Jason's little drive took place, Jason did well, after an awkward start, which consisted of bumping into the garage door. After that, he stopped for two traffic lights and a stop sign, and his two signals correctly, parked the car in the school with his hand lights flashing and was waiting calmly as the principal's office when the police arrived.

"From what I was told," said a policeman, "he wasn't the worst driver on the road."

Why is this? Jason's heroism is a car, drives it a bit, he's naturally a hero. It is a classic reversal of an old urban saying that nobody is interested in airplanes that don't crash. Here was a car that didn't crash—at least not much—said it to a driver. For some reason, a seven-year-old successfully driving a car is a source of fascination.

And why? It may be a case of simple nostalgia. We can remember how we felt as small children about the car, about the age we felt to drive it, and the fear that went along with the drive. So we hear about Jason and make the trip along with him in our imaginations.

Another reason for the appeal of Jason's story is the fact that we really think driving a car is difficult, so the fact that a child does it

think, for some reason, that the next one is going to be better than the one they have now. The banned of cars. Well, it is difficult to know where to start. People hate cars because they don't work as well as they should. They break down. They stall. They run out of gas. They jump out things. They cost money that could better be spent on teachers and higher education.

People hate cars because they are a burden. They have to be stored. They have to be insured. They have to be parked. Proxima maxima, even hours, are not uncommon places to park a car. Cars rust. They have to have their filters changed.

People in neighbourhoods hate cars. From the time the first car drove through a neighbourhood, it was hated—because people knew more can follow it. When more cars did, they ruined the neighbourhood, in terms of parking, looking after homes and looking for places to park. Now, when neighbourhoods around the neighbourhood, gas stations sprang up to places where parks and churches used to be, not paved driveways replaced them.

People hate cars because they are a nuisance. Cars hang into people and each other, and they even exhaust fumes. The annual death toll is well known. The cost to the environment as becoming better known each day.

People hate themselves when they are in cars. Behind the wheel, they become angry, easily and quickly. Even people who never become angry in supermarket aisles and government office buildings become angry in cars. Behind the wheel, they rather not come. They lose their patience. They slow a traffic jam on the way to work to run their morning. They slow the school of a parking spot before their day. They slow a traffic jam on the way home to run their evening.

People hate each other in cars. A person of an most aggressive state in traffic. He will not wait to another driver. He will risk injury, to himself or others, to beat another driver to a parking space. He will back here when another driver waits a pillowcase twice at a changing light. He will give the finger to a complete stranger who looks at him.

We are now into the season for cars. Every year at this time, millions of people pile into their cars and drive long hours at cars that are supposed to be going into the country but are in fact going nowhere. Ironically, each car in the traffic jam is in the control of a driver who has lost our cars to road—to drive, somehow, in a place where there are no cars. Two days later, they will all be back again, in the same hour, same, going nowhere, but facing the other way—toward the city.

We, the drivers of these cars, will hate them and hate the other cars, too. And we will hate ourselves for being at the mercy of cars. The story of Jason Rider was a glass in car hater's because cars have made us tired, grumpy and frustrated and because he has demonstrated that the car is not such a big deal after all. A little kid can get in one and drive it away, obeying the traffic signals and using the four signals correctly. The car is humbled. There is hope.

Billy knew how to ride his bike. Unfortunately however, he didn't know how to properly drive it on the road. It's for kids like Billy that Petro-Canada and Canada's police forces created the Right-Riders program.

Right-Riders gives kids from 5 to 12 the knowledge they need to drive their bikes safely. It's a fun way to learn the rules of the road, practice safe-driving skills, and understand the role local police officers play in the community.

Last year, more than

15,000 schools across Canada were provided with a Right-Riders Safety Video. Created with the help of the Canadian Association of Chiefs of Police, the video is an entertaining and informative way to learn about road safety. Local police will help drive these vital messages home to more than 4 million elementary-school students.

This year we are sponsoring a national TV program intended to educate everyone about bike safety. And, at major summer exhibitions, thousands of kids will have their first "driver training" experience behind the wheel of a mini-car at a Right-Riders Bicycle & Road Safety Show Across Canada, where youngsters will improve their skills on a cycling course at a Right-Riders Bicycle "Roadster".

For more information on program activities in your community, call your local police. Right-Riders can start your child on the road to a lifetime of safe driving.



## Billy's broken his brand new birthday present already.





# Jésus of Cannes

A Canadian wins converts on the Riviera

Unpleasant realities blend, side on the beach. Hollywood stars come and visit. Disturbances don't seem to matter. Not like any city, and champagne flowed like the Mediterranean sea. The event that equals the French seaside town of Cannes every May has been compared to a zoo, a circus and a meat market. But it is also the world's most important gathering of film-makers and critics. And at the 42nd annual Cannes International Film Festival last week, much of the excitement focused on Montreal director Denis Arcand, who unveiled his new movie, *Nous de Montréal*, to mostly rapturous response. At the first of four screenings, an audience of 1,500 journalists gave it a two-minute ovation. And by word of mouth, Arcand's *Jésus* was a strongly favored contender for the festival's coveted grand prize, the Golden Palm, to be awarded on May 23, the last day.

Holding court at a beach luncheon hosted by Canadian industry officials, the suave and sardonic Arcand deflected the flattery, putting his triumph into the cool perspective of what he calls "the ultimate corruption of show business." Arcand is a veteran of Cannes, the focused crusader whose cinematic art and vulgar hype meet head-on. "It's absolute madness—deprived and totally corrupt," he alludes to Montreal's blurring of art and commerce. "The Cannes has always been good to my film." In fact, success at Cannes launched Arcand's cinematic sex comedy, *The Gospel of the American Empire*, which became an international hit in 1986 and earned as much recognition.

The world's second-largest movie event—after the Olympic Games—Cannes this year attracted about 35,000 visitors, 2,000 of them accredited journalists. The 13-day festival—which closes with the premiere of GM Group's starring Jesse Rouse and Gregory Peck—attracted stars ranging from Sissy Spacek, Nick Nolte and Meryl Streep to Lou Piniello (*The Incredibly True Adventure of Two Girls in Love*). More than 1,500 films were scheduled to be screened at Cannes, which makes it the industry's busiest marketplace. *Jésus* was one of 83 films from 13 countries in an official competition. The story of an actor who portrays the son of God in a renaissance passion play, the movie got new reviews from theaters ranging from London's Stendhal Theatre to Montreal's Parc Jarry Matthews at the Los Angeles Times (Michael). "I loved every minute of it. It would have been such a campy flop, instead it's intelligent, funny and totally enjoyable." However, dissenting critics acclaimed Vincent D'Onofrio of *The New York*

Times, who preferred *Sennet*, a first feature by Australian Jane Campion. Another Canadian movie, *Spinal Tap*, was screened in the festival's prestigious Directors' Fortnight program. Written and directed by Toronto's Atom Egoyan, it is a slightly out-of-context satire about video and filmmaking. In a crassly comic tone, three seconds of



Arcand (center) with *Jésus* de Montréal cast: a seasoned provocateur

the film burned up in a projection booth during one screening. "It was very traumatic. Egoyan said afterward 'I feel I've been violated.' I suppose to his strange, sensitive film was profitably mixed. In his case, Cannes' Gary complained that it was 'tired,' but Italy's *Prospetto* Lofredo called Egoyan "one of the most promising new directors" in "a changing the rules of cinema."

If there was any over-the-top that Canada's two subtitles appear in separate yet parallel orbits, a comparative look at *Nous* and *Paris* should dispel it. They were created by filmmakers from two extremes of Canadian culture. Arcand, 47, is a seasoned provocateur who has learned to co-exist with various shades of Quebec's special uses of duality. Egoyan, 39, the Quara-born son of Armenian parents, plays

Armeny (the French takes him for a strange caricature of the male in the city). Franco-Quebecer, Quebec Cultural Affairs Minister Loui Jovon, in Cannes to see the film, seemed to take its subtle sense in stride. "I think it's a pretty accurate mirror of Quebec society," he said. Like the horns of his film, Arcand seemed to be a valuable, even among those whose movie to denigrate. The movie takes cynical swipes at the bourgeois parasites, from critics to agents—a deliberate echo of the commercial offers that followed. Arcand's success. As Arcand explained, "I was surrounded by people offering me exclusive contracts. It would have been much easier for me to leave. But I think you see you want to do a film about religion, the forces of destruction all over the world get longer and they say, 'Are you serious?'"

More about a group of actors who stage an

Armeny (the French takes him for a strange caricature of the male in the city). Franco-Quebecer, Quebec Cultural Affairs Minister Loui Jovon, in Cannes to see the film, seemed to take its subtle sense in stride. "I think it's a pretty accurate mirror of Quebec society," he said.

Like the horns of his film, Arcand seemed to be a valuable, even among those whose movie to denigrate. The movie takes cynical swipes at the bourgeois parasites, from critics to agents—a deliberate echo of the commercial offers that followed. Arcand's success. As Arcand explained, "I was surrounded by people offering me exclusive contracts. It would have been much easier for me to leave. But I think you see you want to do a film about religion, the forces of destruction all over the world get longer and they say, 'Are you serious?'"

Despite its subject, Arcand says that he does not expect his movie to stir the sort of controversy that greeted U.S. director Martin Scorsese's *The Last Temptation of Christ*—a version of the Gospel in which "the cinema played the eye of God." Both directors are Roman Catholics who avoided parochial schisms. Marketing the Gospel is "in the air," added Arcand. "After a decade of conservatism, we're approaching the second millennium, and people are asking some questions."

Egoyan's film addresses concerns of a more secular actor. His story begins with a woman redefining herself as her dead brother's a wife, a woman, which first TV images of the deceased. The first 15 minutes of the movie unfold in mysterious silence as the camera stalks hotel corridors. Finally, the story opens together, in the woman becomes involved with a hotel worker when she casts as her last brother in a movie that she has written. Paying with nude images, Egoyan creates a stark, devotional scene.

The alienating effect of *Devotion* was this a theme of one of the festival's biggest hits. A debut by 26-year-old U.S. director Steven Seidman, an art and filmmaker like the story of an immigrant young man in *Thelma Houston*, who gets pleasure from recording the sexual conquests of beautiful women. Other Americans who moved into their own independently made movies include Jay Roach, director of *Down by Law* (1986), whose *Money Trees* explores the weary life of Memphis, and Spike Lee, creator of *Star 80* (1986), whose *Do the*

*Rhythm* dramatizes racial tension on a swarming day in Brooklyn. N.Y. But Hollywood did not see in 1986. Critics based *Last August*, a sophisticated saga of middle-class rebels without a cause. And an underdoger throughout *Wind*, a drama about cosmic John Belushi, who died of a heroin overdose in 1982.

Defeating threats also worked in a variety of acclaimed movies from other countries.



Parrots at Cannes: a movie market where art meets hype head on

*Black Rain*, by Japanese director Ridesh Kurosawa, portrays a gangster's survival of Hiroshima's nuclear holocaust. *Riptide* (U.S. by Philip director Len Boudie), presents a comic vision of oppression in his country under popular President Ciriaco De la Cruz. And actress Meryl Streep was on hand to give a special look to the belated Japanese release of Australia's *A*



Lozen with son, Edouard Fenech: decadence and glitter

*Cry in the Dark*, already announced on video in North America. It stars Streep in the true story of Linda Chamberlain, who was barely conscious of murdering her baby after mistaking the target of a vicious media campaign. "You I know how she felt," Streep said as the final s

crowd of hundreds of parrots at Cannes. "I have never experienced anything like this before—it's frightening."

Cannes tends to overwhelm its visitors. While critics debate the fine points of the film in an official competition, a horde of dandies and producers loiter over hundreds of films in distinguished galleries. They include a huge crop of pornography and horror movies with such inventive titles as *Julien Gosselin* and *Lecher Meurt* (Mrs. As Egypt an observer, "There is so much going on that a nightmarish and grotesque, it is hard to absorb it in an old-fashioned way. It is a show a film about story-making." On the other hand, he added, "I know this sounds sick, but you feel very proud of what's happening in the Cannes. The industry when you come to an event like this."

For all its decadence and glitter, Cannes serves in an invisible spotlight for actors that otherwise might never find the light at the end of the Hollywood

wood-rotated distribution tunnel. The festival's awards and contests tend to replicate North American movie industry in a European style and that is exactly what makes *Jésus* and *Paris* so appealing. The president of the year's Cannes jury, director Wim Wenders, said through his screenings of Arcand's film *And* *Through* his encouragement. Arcand's film was the first to be shown in the festival. In 1987, when Wenders received a \$5,000 award at Montreal's International Festival of New Cinema and Video, he handed his prize over to Arcand in recognition of his movie *Parrots*.

The Cannes movie industry is so easily overwhelmed—and influenced—by Hollywood that exposure at Cannes can be a shot of adrenaline. Like the Olympics, the festival is an international competition. According to Bill Hesse, an executive with the federal funding agency Telefilm Canada, this year's success at Cannes will help to stimulate foreign investment in Canadian film. Bill Arcand and Egoyan, he said, "are living in the shadow of the elephant and peeping very little behind it—increasingly, there are the kinds of movies people talk about when they talk about making Canadian films. They're a genre that gives Canadian content meaning." Cannes, and Wines, "is about the state of the possible." And by the beautiful words of the Mediterranean, the possibilities never end.

KEVIN B. JOHNSON with Nicholas Pitarakis at Cannes

# A people in peril

*How the Maya struggle for survival*

Scattered throughout Belize, Guatemala and southern Mexico are significant stone ruins that once housed life and now lie abandoned. Those ruins, located in remote mountains and tropical rain forests, were once home to the Mayas, whose civilization was destroyed by ecological collapse, disease, invasion and violence. In 1886 and 1896, Canadian travel writer Ronald Wright journeyed to Central America in pursuit of the beleaguered Mayan people, five million of whom have struggled to preserve a distinct identity in his lively account. *Time Among the Mayas* (Doubt in Belize, Guatemala and Mexico) (Panama: 451 pages, \$25.95; he argues that the current political convulsions in the region threaten to completely



Mayan refugees in Mexico assembling legacy

erupt the ruins of a society that more than 1,000 years ago was highly sophisticated in mathematics and astronomy. Wright, an archaeologist by training, ably weaves the past into the present in a fascinating tale of Mayan enclaves in the face of Spanish conquistadors and modern death squads.

The author begins his story in Belize, a former British colony that—arched on the western edge of Central America—has retained an English-speaking Caribbean culture in a sea of Spanish. From the central highlands to the swamps, where the Incubators of history have given way to modern-day drug smugglers, he travels inland to Mayan ruins currently under excavation by the Royal Ontario Museum. Among other things, the book is a struggle to discover through its research in Belize what led to the sudden collapse of classic Mayan civilization in the 9th and 10th centuries.

From there, Wright takes the reader across the border into the Guatemalan jungle. He points out that, as all of history, there have been only two highly divergent indications of the true forest—the Khmer of Southeast Asia and the Maya. The Maya's most astounding legacy in Central America is Tikal, a city that Wright calls "the Manhattan of the Maya." It flourished between 300 and 900, when Europe was flourishing in the Dark Ages.

A brutal Guatemalan military has brought its own form of darkness to the contemporary Maya. The city that was once disturbed only by shooting stars—which the Maya thought were the smoldering eyes of gods—has in recent years been filled with helicopter gunships and again. Since the overthrow of a reform-minded government in 1984, an air-battlefield of brutality and human loss has characterized the country. Under a succession of military and military-backed regimes, Wright says, the Maya have suffered their worst treatment since the Spanish conquest in the early 1500s. Leaving army garrisons, he travelled by jeep down dirt tracks, past the burned remains of Mayan villages (right up to military sweeps against rebel guerrillas. Yet Wright found that the Mayas in remote areas have managed to retain their tribal customs and identity and even their ancient calendar.

Crossing from Guatemala into Mexico—and following the path taken by thousands of Mayan refugees—the author reports that for the first time in weeks he feels able to breathe. He tells his journey across remote forests, led by a Guatemalan, through the mountains and Guatemalan. Wright visits the so-called Speaking Cross, a tree carved that in 1830, according to legend, forced Mayan history in the region's way of independence against Mexico. For the author, the cross remains a valid symbol for a people who have been subdued but can never be defeated.

NICK ROGERS



## SEE WHAT THE REF MISSED.



**BUSHNELL  
SPORTVIEW SERIES**  
NOTHING BRINGS THE ACTION CLOSER  
DIVISION OF BAUSCH & LOMB

## Your two cents could be the difference.

It's a minimum investment with maximum returns. And it's crucial.

Your support could help decide the fates of Canadian business. And nowhere is this future better represented than in our nation's young people.

That's where Junior Achievement fits in. Every year we guide ambitious students through the setting up and running of their own businesses. By way of our programs, they'll develop enthusiasm and gain understanding of how the free-enterprise system works.

However, the demand far exceeds our supply. In fact, there's no shortage of eager students.

But we are short the financial and volunteer resources. And that's where you come in.

We need your two cents worth.

As a business professional, if you're time, money, or both, that will ensure the success of our programs. Without which there would be no programs. None at all. And where would that leave the fates of Canadian business?

By getting involved not only will you feel a sense of personal fulfillment, but you'll be putting something back into the community. And that's important.

If you'd like to get involved just fit in and send the attached coupon to Junior Achievement. It's the perfect business opportunity in which to invest your two cents.

You'll be sure to find this return irresistible.

It'll take at least my two cents at Junior Achievement. Please send me more information.

Name \_\_\_\_\_  
Title \_\_\_\_\_  
Company \_\_\_\_\_  
Address \_\_\_\_\_  
City/Province \_\_\_\_\_  
Postal Code \_\_\_\_\_  
Phone No. \_\_\_\_\_  
Date \_\_\_\_\_



Junior Achievement of Canada, Junior Achievement of Canada  
70 Bloor Street, Toronto, Ontario M5S 2B2 (416) 593-1400

# THE SUN OF EUROPE



Now you can experience the warm hospitality of Spain when you fly to Europe. Fly with Iberia, via Madrid to any major European city, and you can enjoy the Spanish sun with a free stop-over in Madrid including hotel, dinner and car. We call it "Madrid Amiga". Because

whatever your final destination is in Europe, with Iberia you fly with friends.

**IBERIA** 

WARM TO THE EXPERIENCE.



## Isn't it time you came back to the Chateau?

After \$5.50 a night in dormitories, the Chateau Halifax now offers:

- ☐ Deluxe Bedroom Accommodation
- ☐ First Class Meeting Rooms • 40% Discounted Indoor Parking and still the best downtown location!

ASK FOR OUR MID-WEEK SPECIAL

EVERY DAY OF THE WEEK except on public holidays, per room, per night

**\$99.00** plus tax

SEE INQUIRY SHEET FOR DETAILS

IN HALIFAX CALL 485-6708 OR TOLL FREE 1-800-765-6811 FOR RESERVATIONS

Canadian Pacific Hotels & Resorts

### Chateau Halifax

Experience our five locations in Atlantic Canada:  
The Apartment • The Hotel Newfoundland  
The Prince Edward • Hotel Rosemary • Chateau Halifax

## WE ARE IN ACTION IN ETHIOPIA

Ethiopia is once again facing a famine which threatens the survival of 8 million people. Our staff of Canadian health care professionals is providing food relief and long-term health, water and rehabilitative development programmes.



**PLEASE  
GIVE  
GENEROUSLY**



**CPAR**

Two Registered Donors B130611115

CANADIAN PHYSICIANS FOR AID AND RELIEF  
OF CIVILIAN STREET EATERS

TELEPHONE: (416) 593-1111 TELEFAX: (416) 593-1112

- ☐ I endorse it (the donation) to help the work of CPAR
- ☐ I want to receive my name placed on the

Name \_\_\_\_\_

Address \_\_\_\_\_

City/Prov \_\_\_\_\_

Telephone \_\_\_\_\_

Postal Code \_\_\_\_\_

## BOOKS

### Skin-deep reflections

*John Updike hides behind a shallow personal memoir*

SELF-CONSCIOUSNESS

By John Updike  
(Random House 257 pages, \$26.95)

It's the forward to his new memoir, *Self-Consciousness*, American writer John Updike says that he wrote the book in an attempt to invent a biography of him that was apparently to be a biography. The author of 36 books, including *Match Point* and *The Witches of Endicott*, Updike has become more famous and serious than most other famous writers. Yet *Self-Consciousness* will probably not win him new admirers. A fine line exists between self-consciousness and *self-consciousness* and Updike is clearly tripping over it.

Readers expecting unusual revelations will be disappointed. Instead, Updike, 62, delivers on how he gradually became aware of himself. He begins with a nostalgic account of his Depression childhood in a small Pennsylvania town. His father was a high-school teacher, his mother an unassuming writer, devoted attention to her only child. What is missing from his Norman Rockwell pastime are the emotional undercurrents that run through all his writing. The second chapter shifts to Updike's long battle with cancer. But his discussion is more than a clinical complaint. Updike speculates that the almost any well-meaning but determined to succeed as a writer.

A tiny new memoir when he goes on to describe how he started writing. He finds himself in a "false success." Encouraged by left-wing New Yorkers, old family friends and—after his divorce—even his children make words such as his father, he says. Updike seems to believe that his sexuality stage him in writing through moments that never involve coarseness or sex. Self-consciousness also pervades the chapter in which he explains his support—especially in his role—as US involvement in the Vietnam War. And based on his own teaching "to be alive is to be better" being his personal motto.

The memoir ends with a vignette. After liberally tracing his family tree, Updike says in a final reflection on immortality. His self-portrait of a betrayed, betrayed-upon and finally well-known and well-known Updike is the biography that Updike hoped to write. It will succeed.

RICHARD TEELER



Quarrington: a talented humorist poised to become a major Canadian author

## Loony tunes

*Paul Quarrington sends up rock 'n' roll*

In Paul Quarrington's first novel, he plays a detective similar to Sherlock Holmes against the mystery of the Loch Ness monster. It got most reviews from his mother, Mary, a psychologist, and his father, Bruce, a professor of psychology. But even if it had not, the 13-year-old boy would not have been disappointed. Quarrington, now 26, says he always knew that writing was what he wanted to do. But from the time he began—as a way of "validating my fantasies," he says—he has never been able to stop. "I may not seem like a dream person," adds the Toronto author, "but I can't." Now, millions of laureates and typed words later, Paul Quarrington seems poised to become a major Canadian novelist.

If he feels that notion humorous, it is at least partly because he finds humor in even of life's situations—as he finds a man who has published four funny books since 1983 and who earned the 1987 Stephen Leacock Memorial Medal for Humour. His latest book, *Whole World (Don't) Know*, \$23.95—is a send-up of sex, drugs and rock 'n' roll—may be a "comical send-up" written off on it, but that is not really something that occupies the author's thoughts. He says that he wants to "get a lot of things out there," and that is precisely what he is doing. This fall, his first play, *The Deception of Percy* will open at Toronto's Canadian Stage Company theatre. He has completed three original screenplays—all of them commissioned and now in the hands of film producers—before he is at the young stage. His newly completed novel, *Loose in Overtime*, is scheduled for

publication next year, while the early chapters of another novel, *An Encyclopedia of All Things Animal*, are stored in his author's closet.

The two teenage brothers, Tony and Joel, suggest that Quarrington might not have possessed all that work if he had made it his rock scene. He relied for so long years as a bass guitarist with Joe Hall and the Countess of Duff, playing short engagements at Toronto clubs and often touring the country. The author says that his brother's own money and power and that he wrote most of his 1983 baseball novel, *How Game*, during the band's last tour. His rock 'n' roll years, however, prepared him for *Whole World*, which features a comedy-lyricist here called Rex Howard. Describing a character patronized directly on the author himself but more strongly on Bruce Wilson of the Beach Boys—despite battle with the monster and cosmic forces that plague a superstar's existence.

Like his previous works, *Whole World* is very much a novel of character. "I knew plot as what you grab people about my books," Quarrington said. His first person narrative, Des, is a dreamer, drug-user and daylight addict who manages to subvert the entire of evil and exploitation, from his mother on through his record producers. From the opening sentence, Quarrington assumes a head of knowledge with the loopy madman. Des and his brother Tony once formed the nucleus of the Howl Band, a fictional 1960s American supergroup that rivaled The Beatles in popularity.

That Des (whose domain echoes the drawing of Beach Boys drummer Dennis Wilson) drove his silver Porsche full blast through a guardrail and out into the Pacific. The car exploded, and whales gathered in the wake of the wreckage. Now the accident Des, a recluse in his beachfront house, writes music only for whales. Deliriously and selectively throughout the novel's 213 pages, Quarrington has the reader straining to hear the chords, interpreting the music, cheering for Des to complete his lonely saga.

Quarrington wrote *Whole World*, he says, because after writing novels on baseball (well received in circles, *How Game* brought Quarrington his first real recognition) and hockey (*How Game* won the Leacock award), friends and acquaintances urged him to write about what he knew from firsthand experience. And somewhere in the not-too-distant future, he says, Des will fly to be a Quarrington novel on a subject with which he has just become acquainted (although Quarrington's career seemed after American novelist Carson McCullery joined him and his companion, Dorothy Bennett, a dog named Jester and a cat called Bailey in their cramped Toronto home last December. Quarrington is now planning a novel in which the principal of the United States takes his first child into his office. As a result, the leader gets a whole new sense of what is important in life, and dedicates himself and his country to serve the world's children.

Despite the recent sound of that plot, it is unlikely that the novel will be a high for comic misadventure as going to get serious. When Quarrington leaves the world, he will have a happy glass in his eye.

JOHN GALT

#### MAGNAN'S BEST-SELLER LIST

##### FICITION

1. *Sea, Steel* (3)
2. *A Prayer for Owen Meany*, Irving (3)
3. *The Negotiator*, Feltner (4)
4. *The Serpent's Heart*, Roberts (5)
5. *The Search of Time*, Sheldrake (5)
6. *A Season in Hell*, Higgins (7)
7. *Car's Eye*, Ahmed (8)
8. *Wildcat*, Thomas (9)
9. *Midnight*, Lewis (10)
10. *Billy Bertrams*, Drennon (15)

##### NONFICTION

1. *Strong Within*, MacLean (1)
2. *Love and Survival*, Gribble (3)
3. *Wendlandt*, MacLean (4)
4. *Stress and Success*, Hansen (5)
5. *A Real History of Time*, Sheldrake (5)
6. *King of Rats*, Feltner (7)
7. *Midnight*, Lewis (10)
8. *Second Opinions*, Kunkin and Kunkin (10)
9. *The Winner's Game*, Feltner (10)
10. *The Art of Mind*, Lewis (10)

(1) Feltner best seller

Compiled by Sandra McEwen



## In Search of FINANCIAL INDEPENDENCE

the franchise way

**F**inancial Independence, the goal that drives people of different backgrounds to work hard, is now more accessible. A recent Globe & Mail Report on Franchising<sup>®</sup> announced that in the past few years average annual franchise sales growth has surpassed 15%, compared with 7% for over-all retail sales growth.

Entrepreneurs, skilled managers, and executives changing career paths are among those choosing to buy a franchise, frequently as a timely endeavour. According to Dan Goltger, chairman of Goltger's Travel and chairman of the Association of Canadian Franchisees, "buying a franchise is perhaps the most prudent approach to sharing the success of a franchisor. You can avoid the costly mistakes of an independent start-up, and in the state time 'you hope' the support,

experience and expertise of the franchisor's system. It's safer, easier and less expensive than starting an independent venture."

### Other benefits are:

1. Access to professionally managed and proven business package;
2. Lower financial risk vs. starting a business from scratch;
3. Faster return on investment (ROI);
4. Personal satisfaction of being part of a successful group with a recognized business name;
5. Discounts on bulk buying and greater advertising exposure in the marketplace.

Consider some of the best known names in the franchising business, given below. Perhaps one of them may prove to be your opportunity to "Financial Independence."

With over 400 centres coast-to-coast, MAACO is North America's largest auto painting & bodywork chain. Our franchise owners were accountants, clerks, inventors and engineers. MAACO joins with financing and location. We train you step by step, give you extensive training and, with field representatives in Western & Eastern Canada, provide on-going support and assistance. You need 1000K in equity capital and the drive, and the ability to run a successful business. To start the ball rolling, call MAACO Systems Canada Inc. Toll Free: 1-800-268-9976. Not available in Alberta.



We are proud to be Canada's largest instant printing franchise, with over 100 centres coast-to-coast. A full-time job operator with excellent training, product and start-up package are some important elements of the Kwik-Kopy Printing philosophy.

Our on-going support teams provide our owners with the necessary skills for success. Minimum investment: \$25K. For more information call: 1-800-387-0725 or write Kwik-Kopy Printing Canada Corp. 590 Falls Park Drive, Markham, Ontario L3R 9H5.



"Fry Right Classic!" New York Pies, a unique Canadian company, has grown to over 400 locations in the past 5 years coast to coast.

We serve only fresh pastries in a simple and profitable manner. We are expanding all across North America and provide assistance in site location, customer training and on-going business support.

This is an excellent and affordable business opportunity in a multi-billion dollar fast food market. Minimum cash investment: \$30K. Call Don Lashon at (416) 961-3000.



**Position Has Its Advantages.** The moment you join the largest hotel agency franchise network in the world, you acquire a lot of clout. Instantly, you are #1 in the field that's grown 3000% in 15 years. You immediately have an international sales and training team. And you become part of an elite group of over 750 associates who have prospered the UNIQUELOBE Way.

So if meeting a business that possesses all these benefits and more appeals to you, put yourself in our position... #1. Call today.

Ontario: Atlantic Canada (416) 671-4066  
Quebec Canada (514) 879-0062  
Western Canada (604) 661-9192



With 30 locations in Ont., this all Canadian company is seeking its 7th successful year of experience and leading the way in the Mexican fast food market. Get in on the ground floor of this lucrative growing market. \$50,000 sales with cash investment. Complete Turnkey Operation. Bilingual Training Program. Single Unit Franchise - Ontario & Quebec Area Franchise - Other provinces. For a video brochure, Please call, or write Director of Franchising 5093 Dufferin Street, Suite 216 North York, Ontario M2H 5T5 Telephone (416) 965-4077 Fax: (416) 965-1493



Discover The Great Taste of Success! Grub hold of an opportunity to capitalise on the health conscious, eating eating habits of today's market. Now is the time to serve in a Yegarty's Yegarty's™ franchise. You will be backed by one of Canada's leaders in specialty retailing and franchise systems management with over 40 years of experience. And you will quickly discover that success has never tasted better.

Phone: (416) 274-8353 or write Franchise Department Yegarty's Yegarty's 911 Yorkville Avenue #205 Toronto, Ontario M5S 1A5



New Franchise Goes Crazy !!! Recognized by experts in the ultimate security system in North America and produced by us. In Canada, Ramstron's technology employs with immediate on-scene response. It's portable, wireless, computerized and precise. This dynamic company is looking for distributors and dealers who have strong marketing and management background to represent our product in their areas. Our training and support programs have demonstrated the market place.

Phone: 001-800-368-2222 (24K) 525-9988 Fax: (260) 831-0027



Ready to go for it? Tim King, now has 36 franchises in Canada. World leader in personalizing cars with window tint, car stripping or other newly invented treatments such as wax, roof, mirrored wheels, and custom speakers. Fill their key operation for \$25K, use location help, and expanding network-wide. Join the Kinghorn! Hotline: Allan Buchanan (416) 464-TENT



With over 30 years proven track record in the Number 1 industry in the world, we have the experience to make you a success in your own travel agency. Goltger's Travel offers complete training, sales selection and vision planning, bulk buying discounts, higher commissions, assistance in financing, national advertising, computer travel programs, unique marketing system, and an established network of over 70 agencies across Canada. We require from you a total commitment to success, and an investment of \$74K (minimum \$25K cash) plus working capital. For more information call Elizabeth Bédard or John Blackley (416) 926-0814



### Top Guns

Midas, the leading specialist in entrance services, offering, suspension, brakes and tires and, is offering the opportunity of becoming a partner with a company committed to growth in sales and service.

Midas has over 25 years experience and operates in the automotive after-market industry, with over 2,300 shops in Canada and the U.S. As a Midas franchisee you will receive their benefits. Financial training in management, sales and technical operations, plus ongoing professional counselling, excellent advertising and sales promotional support, the Midas name, products and warranty.

For additional information call Michael Chao (416) 291-4381 or write Midas Canada Inc. 705 Cromwell Blvd. Agincourt, Ontario M1S 3S8



**Opportunities with an International Market Leader**

### Personal Placement

Drake International is offering franchise opportunities in temporary and permanent placement. Our trained entry and time tested systems give you a successful start, our commitment to on-going support keeps you going.

### Computer Training

Drake Computer Training offers a unique franchise opportunity for the entrepreneur with a PC background. Backed by our superior systems and products, you can become a leader in PC training.

For more information contact: Debbie MacMillan at: (416) 967-7713 or write:

Drake International 130 Bloor St. W. 6th Floor Toronto, Ontario M5S 2C9

### Other Business Opportunities

## SC Marketing

S.C. Marketing, your success connection, offers various business opportunities. The overall theme: **LASER CONCEPT**, the leading edge of laser scanning technologies has impacted \$50,000,000, is an excellent opportunity with strong return on investment. Soft laser technology has very exciting and profitable applications in the future. We also offer other business opportunities in fiscal and body tanning and **EUROPEAN BODY WRAP**. To get your business started, please call Gerald or Ted at (514) 653-5321



Creative Curb is an affordable business opportunity without on-going royalties. It produces a unique elegant look of permanent concrete landscape designs for architects, developers and property owners, creating curves, circles and corners without traditional methods of forming. The proven start-up package contains everything needed to begin your own curb business immediately. Includes a one-on-one site hands-on training course, 25,000 pieces of marketing and sales material, a custom 168 trailer with mounted material mixer and gas engine and the patented Creative Curb machine with tools and accessories. The complete package including pre-owned territory starts at less than \$40,000. Call: Toronto (416) 497-7278 or Vancouver (604) 684-1405



## The Association of Canadian Franchisees

Learn Some Basic Facts Before Buying a Franchise. The "ACF" Info Kit contains the booklet "100 ways to begin investing" - see \$10.00 to

The Association of Canadian Franchisees 66 University Avenue, Suite 607 Toronto, Ontario M5S 1T6

The Association of Canadian Franchisees promotes ethical franchising in Canada, including model disclosure of all prospective franchisees. Look for the ACF logo identifying members. A phone call to (416) 965-5965 will tell you if a franchisor is a member of ACF.

**Call Now !! Haven't you waited long enough?**



Signo Angelio operates fine fashion accessory shops across the country in prime locations in the best shopping areas in Canada. Good times or bad times, quality accessories and gifts are always in demand and no wonder Signo Angelio stores are #1 sales performers in most of the malls.

Individuals who are ambitious and want to be part of a financial network, enjoy a good lifestyle in a great environment, and who want to grow with the Angelio family (which operates over 70 stores) are welcome to meet our selective committee for a no-obligation chat to see if "we are good enough for each other." Cash investment of \$50,000 necessary. Call Randy Edger at 416-586-1730 or write:

Angelio Corporation 6155 Glenora Rd. #16 Mississauga, Ontario L2T 1X3



Physicians WEIGHT LOSS Centres

The most dramatic and highly successful profits available, Physicians Weight Loss Centres, has grown to 400 centres since it first opened in 1979. Over 75 new centres are planned in Canada in the next 2 years, approximately 3 per month.

The secret of success? Complete operating support to the franchisees, comprehensive start-up and on-going training, demographic and site location assistance and a highly professional team covering over-weighing service to clients.

With millions of overweight Canadians in every town across the country, the market potential is unlimited. Clients are guaranteed to achieve their ideal body weight. No medical experience is required to own a franchise. For your lifetime of financial health, Call (416) 321-7952





# PURE GOLD

A superbly smooth, light taste. Canadian Club sets the standard.

*Canadian Club*

